

Annual Report & Accounts 2025



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Thank you to our supporters 76

Debt happens.



Let's deal with it.

Chair's statement



Welcome to the StepChange annual report for 2025 – the year in which construction accelerated on the transformative changes that we are putting in place. Thanks to the clarity and direction of our strategic plan, we are now firmly in the delivery phase. Vikki and the leadership team can point to impressive levels of progress against the charity's planned objectives, which is no mean feat in an environment that remains challenging and far from predictable.

We were delighted to welcome three new Trustees to the StepChange Board in 2025 – Sean Lynskey, Lisa Mellor and Ramon Kaur. Their extensive experience in financial innovation, risk management and public affairs and advocacy has strengthened and reinforced our board skillset and enhanced the diversity of perspectives around our Board table.

Our main focus as Trustees is to provide the vision, strategic direction and governance that underpins the charity's work to improve the lives and financial circumstances of our clients. We are delighted that success has been widespread in 2025. We successfully launched our new strategy and worked effectively with partners of many different kinds. We had some impressive campaign wins, including on the regulation of buy-now pay-later (BNPL), bailiff oversight and regulation and welfare reform. The charity has been highly visible in the media, influential in Parliament, and made a very successful start to defining and reaching its core client group – those we are best placed to support – while continuing to advocate widely across the wider debt landscape.



The Trustees deepened our understanding of the day-to-day operations of the charity through spending time with advisers, clients and colleagues, thus ensuring Board decisions were grounded in first-hand insight. We strengthened liquidity monitoring, improved financial reporting and increased assurance around operational resilience – reinforcing the governance foundations essential to delivering our charitable purpose.

I feel fortunate as Chair of StepChange to be so well supported by all my fellow Trustees as we work with the Executive team to ensure that we deliver the charity's strategic vision and its regulatory obligations.

As Trustees, we have been especially pleased to see the growing alignment between the charity's operational objectives, strategic partnerships, and its systemic change aspirations. For example, the charity is now working much more closely with energy providers and has secured substantial funding from them. We have also increased our involvement with local authorities.

We are deeply grateful to all the charity's partners who provide support, whether financial, operational or by amplifying our messages. We pay tribute to the dedication, productivity and results of our hardworking and committed Executive team and all those who work at StepChange. We can't wait to see the progress that will be unleashed in 2026, as we press on with our improvements to client services, technology and sector partnerships. Together, we will continue to drive for our goals of better long term financial outcomes for more people and a reduction in unmanageable debt.

Lesley Titcomb CBE
Chair

CEO statement



When we published our 2024 Annual Report, we were just on the brink of implementing our new organisational strategy. In 2025, we hit the ground running with it on a whole range of fronts. A year on, I'm delighted to be able to report that we can already see the difference it's making. We're helping more people, more effectively and more efficiently, optimising how we use our data and insight to make massive strides in the quality of the experience clients receive and the outcomes we can deliver.

As a reminder, the four key strategic outcomes – “the things we want StepChange to be famous for” – are:

- An unwavering focus on good long-term client outcomes
- Being digital-first, data-led, and powered by experts
- Creating meaningful change through research and influence, and
- Being a financially sustainable not-for-profit organisation.

In 2025, we made clear and demonstrable progress against each of these, using the framework of our six strategic pillars.

Specifically, we implemented tangible changes that are already really improving client experience and helping to cement the focus on good long-term outcomes for our clients. Our big picture vision, which sees us aiming for a society free from problem debt, is brought to operational life through our strategy and the actions that flow from it.

These include steps over the past year such as introducing far more effective telephony and workflow management using the Genesys platform. We enhanced the support we are able to provide to our clients online through our virtual advisor and saw an accelerating shift to always-available online support, so that our clients can be supported at any time of day or night. In 2025, 86% of all our clients began, and 89% completed, their debt advice journey online. These enhancements mean our advisors are able to concentrate on helping clients with more complex queries, so that people using our services get bespoke help when they need it – via phone, WhatsApp or webchat.

Ensuring the long-term good outcomes for our clients and being a financially sustainable not-for-profit organisation is central to our decision making. A good example of this has been how, in deciding to wind down our equity release and mortgage subsidiary, we've been able to keep our focus on advising homeowners just as effectively, but through a strategic referral partnership rather than the more resource-intensive in-house route.

We introduced a data-led approach to pinpoint key moments in the online advice journey where clients may typically hesitate. This helped us create a more dynamic and intuitive experience that offers extra support exactly when needed. As a result, clients move through the process more smoothly, attrition has reduced, and our expert advisors can focus on more complex queries. By drawing on expertise from across the charity, we've also adopted an agile way

of delivering improvements. This is already paying off, with early benefits visible and more positive refinements on the way.

Harnessing WhatsApp to deliver more effective nudge and reminder communications has helped us to better engage with our clients in a way that suits them and drives action. This is improving outcomes by increasing completion of debt advice and helping clients maintain their ongoing debt solutions.


Through our influencing work, we strengthened our media, public affairs and campaigning profile. In 2025 we were the most widely referenced debt advice organisation in the public sphere. This profile raises awareness and advances our research-based campaigning objectives, using our client data and insights to inform our position and provide evidence for policymakers. As we look ahead, we can see our evidence shaping improvements for victim-survivors of economic abuse and driving reforms to council tax debt collection.

None of our achievements would have been possible without financial sustainability. While the funding and operating environment remains challenging, we ended 2025 with group reserves of £15.9 million, beginning 2026 with a stable footing. This financial platform has enabled long-term improvements. Working more closely with funders is also improving insight and experience for them and for clients. We are grateful to all core funders, especially those who funded specific additional programmes in 2025. That includes Barclays for their support for our digital transformation, NatWest also supported the charity with 2-year funding for the Small Business Service. We have an increasing number of energy companies who are supporting us financially as well as creating innovative referral and support pathways, including British Gas, EON, Scottish Power and OVO.

With our ongoing financial sustainability in mind – and to ensure we can continue delivering good long-term outcomes for our clients – we have reviewed how our office spaces are used and how hybrid working has changed the way colleagues work. As a result of this review, we have made the difficult decision to propose the closure of two of our offices during 2026.

My heartfelt gratitude also goes to all my colleagues, who impress me every day with their adaptability, resourcefulness and level of commitment to delivering the very best for our clients, often against a backdrop of significant change. We don't take this for granted, and we're evolving how we work to ensure that everyone at StepChange feels truly valued and empowered. Working for a purpose-led, not-for-profit organisation attracts people who really give it their all, often bringing valuable experience from other sectors. This also goes for our Trustees, who generously contribute their time and expertise to help us maximise our impact for the people and communities we support; while also ensuring we meet the governance and regulatory expectations of a charity working within a highly regulated environment. To all of them, and especially to our outstanding Chair Lesley Titcomb, I say a massive thank you.

I hope you enjoy reading about our year in more detail. We're on a clear and consistent path, focused on good long-term outcomes for our clients, but one that can also flex and innovate in the light of developments in our rapidly changing world. This year we look forward to continuing the journey with you, our partners and supporters, and I welcome your feedback.



Vikki Brownridge
Chief Executive Officer

Our impact - Approved as part of Impact reporting

Turning connections into impact: how we helped people in 2025

This year, every click, call, and message represented someone facing real worry and taking a brave first step toward hope. We didn't just share advice; we restored confidence and helped thousands regain control.

1. Awareness that reaches those who need us

21.4%

Brand awareness (General Population)

Awareness stayed strong in 2025 but beyond visibility, our focus is making sure anyone struggling with debt knows they're not alone and knows where to turn.

2. We were there when people needed answers

5.3m

website visits

860,000+

calls into the Charity

70,000+

followers on Social Media

Through our website and digital channels, we reached people at their most vulnerable moments, when uncertainty felt overwhelming. Every visit was a sign of courage, a first step toward hope.

3. Every piece of advice was a step towards control

2.4m

individual engagements with our advice services

546,000

times we guided or signposted clients to the appropriate help

164,000+

clients received tailored advice & recommendations for managing their debts

46,000

clients set up on breathing space

32,000+

clients identified claimable benefits

£150.8m

of benefits were realised overall in 2025

With clear, practical guidance, we helped thousands understand their options and take action. 93% accessed our services digitally throughout their journey. Support was available anytime – just a click away.

4. Every solution was a promise of progress

332,000+

calls managed to support clients with their solution

135,000+

clients reviewed their solutions

42,000+

clients set up a new solution

185,000+

clients on debt solutions

We provided personalised, structured support that built confidence, offered ongoing guidance, and helped people stay on track toward greater stability and long-term financial resilience.

5. From worry to relief

15,500

clients became debt free

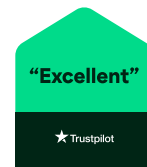
The greatest success: thousands became debt free this year. Each number represents confidence regained and the first steps toward lasting financial resilience.

StepChange
Debt Charity

6. Trusted by thousands

Our **Trustpilot** and **Feefo** ratings highlight client confidence and the care we put into every interaction. These independent reviews reflect our commitment to delivering exceptional experiences and building long-lasting relationships.

External recognition also continued to grow, with multiple industry awards – including joint wins with key partners – celebrating the service enhancements we've introduced and the meaningful impact of our work. These accolades further strengthen our position as a trusted, leading brand within the market.



Consumer credit awards

Company of the year
Winner 2025



Consumer credit awards

Best financial support provider
Winner 2025



Behind every statistic is someone who found hope. Their stories show the impact of real understanding and support. Read more real stories at stepchange.org

Financial review

For the year to 31 December 2025, our group accounts show a net surplus of £2.7m for the year with group reserves of £15.9m at year-end.

Income

In 2025 total income increased to £64.5m compared with £60.2m in 2024. This was primarily due to an increase in income from our partners in the utility sector.

Our unrestricted income includes donations, Fair Share Contributions (FSC) and income from our operating subsidiaries. FSC income is primarily used to fund the set up and maintenance of our debt solutions and remains the group's largest source of income, despite the fact the average rate has been reducing over the last five years. In 2025, a higher number of clients made debt repayments through a StepChange solution, increasing FSC by £1.0m year-on-year. However, this uplift was partially offset by a higher proportion of FSC non-payers, which reduced the average FSC rate from 10.33% in 2024 to 10.17% in 2025.

It is therefore very welcome to note the increase in income received to fund our debt advice services, which includes a number of donations and grants from our partners in the financial services and utility sectors. The continued support of our funding partners is welcomed and many of them have committed to ongoing funding for 2026 and 2027.

Our restricted income increased to £7.0m in 2025 (£1.8m in 2024), reflecting an increased level of activity in this area, including grants from E.ON, OVO Energy, British Gas, ScottishPower, NatWest and Equifax.

Operating expenditure

Total operating expenditure for the group was £61.9m (2024: £61.8m). This includes £3.3m of external expenditure relating to our strategic change initiatives. Excluding this ongoing investment our underlying operating costs increased by £0.7m which reflects increases in people costs and general inflation.

People costs remain the group's largest area of expenditure, being approximately 70% of total operating costs. In 2025 we continued to deliver efficiencies in our service delivery through the introduction of Genesys and other digital developments. We continue to deliver both client service improvements and cost efficiencies from our ongoing digital investment and this will remain a key focus through 2026 – 2028, thus creating capacity to help more clients.

Net operating result

The operating surplus of £2.7m (2024: £1.6m deficit) is comprised of an unrestricted surplus of £0.6m (£0.63m, 2024: £1.1m deficit) and a restricted surplus of £2.0m (£2.03m, 2024: £0.5m deficit).

The restricted surplus in the year of £2.0m is driven by the receipt of Warm Home Discount grants of £5.2m of which £2.9m was spent during the year; the balance of £2.3m will be utilised in future periods to support our ongoing activities in this area. This in year surplus was offset by continued expenditure of £0.5m relating to our pilot programme to provide debt advice to self-employed individuals in respect of which we received a further grant of £0.3m

The unrestricted surplus is stated after the digital investments as part of the digital change program.

Capital expenditure

There was a net reduction in tangible fixed assets of £0.2m this year (2024: +£0.3m) with additions being primarily IT and office equipment.

Subsidiaries

The charity has two active subsidiaries, one for the provision of insolvency solutions and one which was established for equity release and mortgage solutions, which is currently being wound down. Any net proceeds generated by these subsidiaries are distributed via Gift Aid back to the charity. Both operations were developed to help people become free of problem debt. Within the charity's Statement of Financial Activities, the proceeds from the subsidiaries are not classified as charitable activities but included within donations received. The Consumer Credit Counselling Service (Equity Release) Ltd subsidiary ceased trading in 2025. The entity is in a structured programme of legal, regulatory and financial wind-down with final closure activities expected to complete by 30 September 2026. This decision reflects our view that the provision of equity release products through a partnership model would deliver better outcomes for clients than an inhouse service. By working with a trusted external specialist, clients benefit from quicker access, improved digital support and broader expertise – ensuring they receive the right advice at the right time.

Cashflow, investments and liquidity

Our investment policy, as agreed by the Trustees, remains to invest in fixed term bank deposits only. Within the year, there was a net increase in cash and cash equivalents of £4.1m (2024: £4.3m decrease). At 31 December 2025 total cash and cash equivalents were £9.3m (2024: £5.2m) with no funds held on deposit.

The group currently has a liquidity backstop requirement agreed with the FCA, in the

form of a minimum cash balance of £5.25m. Cash reserves of at least this level would allow the group to affect an orderly wind down without detriment to clients should this be required. Group cash balances remained above this level throughout 2025.

Reserves policy and management

Reserves are maintained at a level to manage the short-term financial risk, the potential costs of unplanned closure and ensure the long-term viability of the charity given the risks detailed in the "Principal risks and uncertainties" section of this report. Our reserves policy is reviewed by the Board of Trustees at least annually. In assessing the policy, the Board considers the scale of the charity's ongoing cost base, the risk environment, security of funding as well as the investment needs of the group. In line with best practice, our policy includes a lower and upper limit on our unrestricted reserves. This ensures that whilst we ensure the group's ongoing financial viability, we are also applying as much funding to our charitable objectives as we reasonably can.

In December 2025 the Board approved an unchanged reserves policy, being that the group's free reserves (i.e. reserves after removing net tangible and intangible fixed assets and restricted funds) should not be allowed to fall below £10m, nor to exceed £18m. At the bottom end, this enables an orderly winddown of the charity should that route be chosen or required. Reserves above the minimum level help create an operating and planning buffer. The Board may choose to utilise the higher end of the range should our funding risk increase or resource be required for significant future investment.

At 31 December 2025 the group reserves stood at £15.9m. This is an overall increase of £2.7m since the beginning of the year.

The total balance sheet reserves at 31 December 2025 were £15.9m (2024: £13.2m), of which £2.4m (2024: £0.4m) are restricted in nature.

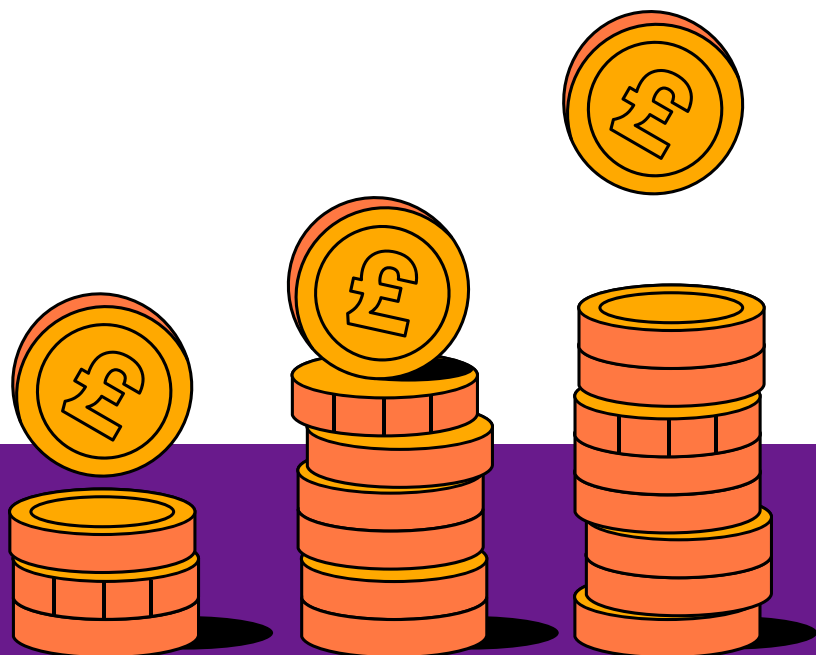
Financial review

Investment policy

The group's investment policy is reviewed annually by the Audit, Risk and Compliance Committee. In 2025, no funds were placed on fixed term deposits. This allows the appropriate flexibility and liquidity as we invest in digital and data innovation. Interest rates have been lower across the year, but we have been able to utilise shorter-term deposits to generate some return on our balances at minimal risk. Interest yield on overall balances in 2025 was 1.9% (2024: 3.1%).

Basis of preparation of the Financial statements

In line with the Charities Accounts (Scotland) Regulations 2006 (as amended), the charity has prepared a charity-only Statement of Financial Affairs on page 51, with additional charity-only disclosures made in the notes to the financial statements. The financial statements have been prepared on the going concern basis. The charity has strong financial resources invested with minimal risk and no borrowings. The financial performance of the Equity Release subsidiary has not been audited for the reporting period due to the wind down of this subsidiary.





Principal risks and uncertainties

Our approach to risk management

The Board of Trustees is responsible for approving the charity's approach to risk management and for setting the type and amount of risk that the charity is willing to accept in pursuit of its objectives.

The Board reviews its risk appetite at least annually to ensure the charity is continuously managing its risks and exposures effectively. This includes considering strategic changes that may impact the type and amount of risk it is willing to take.

The Audit, Risk and Compliance Committee (ARCC), via the charity's Delegated Authority Framework, is accountable for ensuring oversight and maintenance of a sound system of internal control and risk management.

The day-to-day operation of internal controls and risk management are delegated to the Executive Team. The Chief Risk Officer has responsibility for the design, implementation and effective operation of the Risk Management Framework.

Clear policies and standards provide the rules and guiding principles for the direction of core activities across the charity. These support the operation of effective processes and controls that enable colleagues to identify, assess, manage, monitor and report on the risks to which we are exposed.

Decisions are based on managed risk-taking in alignment with our risk appetite and in pursuit of our strategic plan. In doing so, we seek to protect the interests of our clients, in line with our legal and regulatory obligations while ensuring the longevity of the charity.



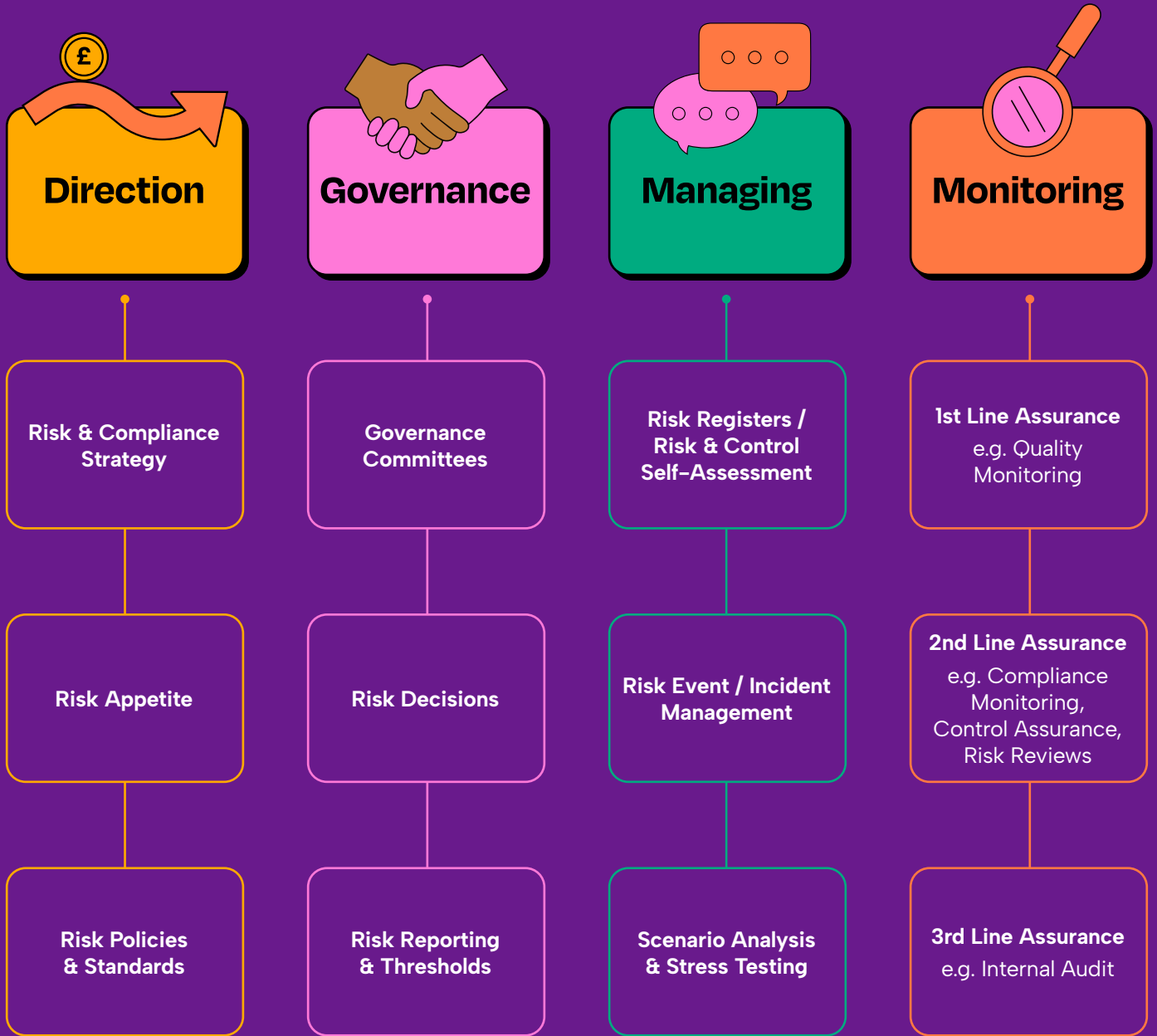
Three lines of defence

The charity operates a 'three lines of defence' model. Our application of this model is tailored to the size, complexity and activities of the charity. The first line owns and operates most controls to mitigate risk and maintain our ongoing compliance. The second line is responsible for the design, implementation and effective operation of the Risk Management Framework, as well as providing assurance, advice, oversight and challenge to the first line. The third line is internal audit which is provided through an outsourced model and delivers independent assurance over first and second-line activity. It reports to the ARCC to provide an impartial view of the charity's risk and control environment.

Risk Management Framework

Our Risk Management Framework is designed to positively influence behaviours in pursuit of our target culture. Its purpose is to create a common risk language, a consistent and effective approach to the management of risks and to ensure appropriate decision-making processes at all levels, in line with the risk appetite set by the Board.

Risk Management Framework Summary



Culture

Risk management happens in the context of our culture and our current culture will always influence how colleagues manage risk. Our risk management framework is designed to positively influence behaviours in pursuit of our target culture.



Key risks and opportunities

Our key risks and opportunities reflect the environment in which we are delivering our 2025–2030 strategy and the choices we are making to achieve our long-term objectives.

The themes set out below highlight the areas where uncertainty or change could most affect our ability to deliver for clients, as well as where there are opportunities to strengthen our impact, resilience, and sustainability. In all cases, we are actively monitoring developments and taking deliberate action to mitigate risk and realise opportunity to better deliver good long-term outcomes for our clients.

Client Circumstances

Many of the clients we support continue to experience pressure on household finances, with a significant proportion having little or no disposable income after essential living expenses. Across 2025, approximately 30% of new clients had a deficit budget. This limits the range of debt solutions available to the client, leaving them at risk of their financial position deteriorating further and relying on further credit for essential living expenses. Vulnerability to external shocks, such as changes in the cost of living or increases in priority debts are also enhanced. If these pressures persist, they create a risk to long-term client outcomes, but also an opportunity to adapt services to better support financial resilience.

One of our strategic pillars is to help our clients increase their financial resilience. We aim to achieve this through initiatives such as benefits eligibility, income maximisation, energy advice, budget reviews and refinements to advice to improve outcomes for clients with negative or marginal surpluses, expanding access to appropriate debt solutions where viable. For clients

who do have a surplus we aim to support them in building savings habits with the goal of being able to withstand financial shocks in future. In addition, we continue to advocate for anyone struggling with debt through our policy and campaigning work.

Transformation

We are focused on delivering our services as efficiently as possible to ensure we can continue to support people in financial difficulty at scale. Rising demand for debt advice, alongside cost pressures and changes in client behaviour and circumstances, creates both risk and opportunity.

We are progressing with a multi-year programme aligned to our strategy which focuses on how we design our services, organise our workforce, and use technology. We are mitigating the risk to delivery through enhanced change management and governance, including strong oversight and assurance. By transforming our technology and modernising our services, we aim to increase our reach, expand our capacity, improve client experience, and remain competitive as digital channels play a growing role in how debt advice is accessed.

Operational Risk

The delivery of our 2025–2030 strategy is sensitive to disruption from operational risk, including cyber, technology and people risks. We continue to manage all operational risks through robust governance and control mechanisms.

Cyber risk is a particularly high priority due to the constantly evolving nature of cyber threats. We maintain a cyber security roadmap which sets out an ongoing programme of activity to review our controls against relevant standards and enhance our cyber defences.



Sustainable funding

Securing sustainable, long-term funding is essential if we are to continue delivering good long-term outcomes for clients and investment in our services. Our funding has a significant dependency on short-term donations and can also be materially influenced by changes in consumer debt types and creditor behaviour.

To address this, we are seeking to increase the amount of diversified and recurring funding that we receive in order to strengthen our long-term financial resilience.

Sector developments and competitive landscape

The debt advice sector continues to evolve, shaped by regulatory change, funding reform, and competition. This presents risks but also opportunities for us to help shape the future of the sector.

We are actively engaging with regulators, commissioners, and sector partners to influence how debt advice is commissioned and funded, and to ensure that the funding of debt solutions is also considered strategically, and to promote models that prioritise good long-term client outcomes and sustainability of the sector.

Our priorities for 2026

Following the launch of our new five-year strategy, Stepping Ahead: Destigmatising Debt and Powering Financial Resilience, 2026 sees the charity building momentum by delivering significant developments towards the realisation of our strategic ambition – to be the UK's leading free and independent debt advice and solutions provider, digital-first, data-led, powered by experts. Our overarching aim is to empower clients to improve financial resilience and achieve good long-term outcomes.

Our work remains vital as we know the financial burdens on households remain acute, with no sign of the situation alleviating. We continue to see significant changes in our client base, including an 82% increase in the number of clients with mortgage arrears, whilst council tax debt, energy arrears and buy now pay later debts continue to rise. The advice and solutions that we provide continue to be in high demand and we will deliver simpler, more efficient services for our clients, so we can help as many people as possible become debt-free and work towards a more financially resilient future. Overall, the debt advice sector needs to work together to meet the challenge of helping people get back on their feet, as there are hundreds of thousands of people, if not millions, who need our support.

Alongside the services we provide for our clients, our intent at StepChange is to make meaningful change in society through our research and campaigning for systemic change.

Champion the consumer voice

We remain entirely committed to ensuring we advocate for anyone struggling with debt in the UK. As part of this commitment, StepChange will continue to build relationships across all political parties, across all four nations and work closely with decision makers to ensure that the needs of those in problem debt are prioritised and meaningful action is taken to support them. We have been pleased to have been part of the new UK Government's financial inclusion strategy, and we'll continue to work to ensure that those at risk of problem debt are firmly on the political agenda.

StepChange will continue to work with government, regulators, and policymakers to drive meaningful systemic change in 2026. Our key areas of focus will include:

- **Influencing the development of a fair, effective, and consumer-focused insolvency landscape, advocating for regulatory improvements, changes to advertising practices, and enhanced protections within debt solutions.**
- **Advocating for reforms in credit reporting and credit market practices to support individuals in financial difficulty, encourage early help-seeking, and reduce financial exclusion.**
- **Seeking progress in improving access to affordable credit and savings options for financial vulnerable individuals and households.**
- **Understanding how difficulties making ends meet drive problem debt and undermine financial resilience and developing practical, workable solutions.**

Our goal is to ensure that policy and regulation evolve to support financial resilience, reduce the stigma around debt, and create a fairer and more effective credit system for consumers.

Build awareness and reduce debt stigma

Stigma is not a side issue for StepChange – it is one of greatest barriers that stops people from seeking the help they need. We remain entirely committed to reducing the stigma of debt so that no one feels ashamed to seek support as it is central to delivering earlier, better outcomes.

Despite the progress we have made in raising awareness of and trying to reduce the stigma of problem debt, through our Debt Awareness Week national campaign, sharing cases studies and our media work, we know the problem remains acute with over half our clients waiting more than a year before seeking advice. Every month that passes without seeking support is a month when the financial position deteriorates and mental health worsens making it inseparable from improving client outcomes.

With this in mind, during 2026 we will be embarking on a long-term campaign to change attitudes by raising awareness and reducing stigma as a barrier to getting help. We will start by undertaking extensive research to fully understand the underlying causes of the stigma and how this can be tackled before developing our long-term campaign framework.

Deepen problem debt interventions

We continue to see high demand for our services, and we are currently managing more than 180,000 people on debt solutions, alongside the 546,000 people we have helped, and the 5.3m people who visited our website during 2025. It remains important therefore, that we focus our efforts and resources on those we are best placed to serve with full debt advice and long-term solutions. This is with a view to providing clients with longer-term financial recovery and resilience.

Reaching clients at the right time based on their needs remains a priority for us and we will build on our focused client acquisition strategy throughout 2026 to ensure that we reach those who can most benefit from our services. Our approach is also to work with the debt advice eco-system to ensure that anyone coming to us for help is supported in the best way to meet their needs. We'll also be looking to make sure that we are able to support new groups of people who would benefit from our support.

During 2025, we reimagined what we want our future core debt advice journey to be and how it could revolutionise how we serve our clients both when they come to us for the first time and thereafter. During 2026 we will deliver the first stages of this new client experience, making interactions quicker, easier and even more client centred.

Transform digitally

Over the last couple of years, we have seen significant progress in StepChange's technological transformation following the successful implementation of Genesys, our new call centre platform. During 2025 we became fully cloud enabled and launched AI engagement tools and WhatsApp for clients. In 2026 we will build upon these strong digital foundations which have made us both more agile and resilient.

In 2026, clients will experience our reimagined journey to review their debt management plan with improved accessibility, intelligent data, increased personalisation and reduced friction. All designed to offer a faster, smarter and more intuitive offering for our clients. In addition, we will extend our AI virtual assistance to provide enhanced support for our clients.

Strengthen financial resilience and recovery for our clients

During 2026 we will be looking to launch new client offerings to support with building their financial resilience – these include a new savings offer. We will also be looking to launch an even simpler way for clients to check and apply for any benefits and grants that they may be entitled to.

These are designed to empower people to become more financially stable and resilient to any future financial shocks, giving them a better long-term outcome.

Evolve our culture

Our colleagues provide StepChange with its greatest strength and are the experts we rely on to deliver against our strategy. It is imperative therefore that we are committed to support, develop, and empower them.

In 2026, we will review our Employee Value Proposition for our colleagues. We will do this in collaboration with our Colleague Board who are made up from colleagues across all directorates across the charity to ensure all colleague voices are heard.

We will also continue our commitment to Equality, Diversity, and Inclusion (EDI) by delivering against our updated EDI strategy. While some organisations are stepping back from EDI work, we remain fully committed to diversity and inclusion as essential to enabling everyone to thrive and to deliver the best outcomes for the people we support.

Working with our partners and diversifying our funding

As a non-profit organisation, the diligent management of our cash flow and cost base remains a cornerstone of our long-term financial resilience. This year marked beginning of a strategic shift towards diversifying our revenue streams. Under

our new three-year corporate plan, we are committed to accelerating this diversification to ensure a more secure and sustainable financial future.

We remain disciplined in managing our expenditure and pursuing operational efficiencies. Through strategic investment in technology (Digital First) and our colleagues (Powered by Experts), we are expanding our capacity and driving greater value for money. By streamlining our processes, we ensure our resources are directed to where they matter most – delivering better outcomes for our clients at the most critical stages of their journey.

Our partners play a vital role in our continued success and in our ability to deliver high-quality services to clients, and we are sincerely grateful for their collaboration and support in 2025 and their ongoing commitments to partner with us in 2026 and 2027.

Working together strategically has enabled us to reach more people, earlier, leading to better long-term outcomes for the customers of our partners. Continuing this work through 2026 remains one of our key priorities.

Conclusion

2025 was a year of delivery and development for StepChange. We have seized the opportunity to shape a future where we support people to become debt free and build lasting financial resilience. By supporting our clients, empowering our colleagues, strengthening partnerships, and driving bold policy change, we will continue to break down barriers, challenge stigma, and create a fairer financial system for all. Our work doesn't just change circumstances – it changes lives.

StepChange
Debt Charity



Structure, governance and management

Structure and management

Foundation for Credit Counselling (“the charity”), which trades under the name StepChange Debt Charity, is a company limited by guarantee and is registered as a charity (no. 1016630 in England and Wales, and SC046263 in Scotland). The charity is authorised and regulated by the Financial Conduct Authority (FCA no. 729047) to provide debt adjusting and debt counselling services. It is permitted to hold client money as a not-for-profit firm and holds limited permission under the FCA Handbook within its flexible firm portfolio.

In 2025, the charity had two active subsidiary companies:

- **Consumer Credit Counselling Services (Equity Release) Ltd, company number 06741879.**
- **Consumer Credit Counselling Service Voluntary Arrangements Ltd, company number 05659160.**

The charity falls under the FCA’s Senior Managers and Certification Regime for solo-regulated consumer credit firms as a ‘limited’ firm. Appropriate arrangements are in place to ensure compliance with the requirements of the regime.

Consumer Credit Counselling Service Voluntary Arrangements Ltd employs Insolvency Practitioners that are licensed and authorised by the Insolvency Practitioners Association (IPA).

Winddown of Consumer Credit Counselling Services (Equity Release) Ltd

In early 2025, the Board of Consumer Credit Counselling Services (Equity Release) Ltd considered the outcomes of a comprehensive review of the subsidiary’s equity release and mortgage advice service. Although the service continued to deliver good support, the review concluded that the market was unlikely to recover to a level that would make the service sustainable in the long term, and that clients could benefit from access to specialist organisations better placed to support their needs.

In April 2025, the parent charity’s Board endorsed the subsidiary Board’s decision to begin an orderly wind-down and approved the financial support needed to enable a solvent closure. New business closed on 2 May 2025, and all remaining clients were either completed or referred to appropriate specialist providers by the end of August 2025, ensuring continuity of support and positive outcomes throughout the transition.

A structured programme of legal, regulatory and financial closure continues, with final wind-down activities expected to conclude by 30 September 2026.

Board of Trustees

The charity is governed by a Board of Trustees (“the Board”) which currently consists of 12 Trustees. In 2025, three new Trustees – Ramon Kaur, Sean Lynskey and Lisa Mellor – were appointed. The Board is chaired by Lesley Titcomb CBE, and is supported by a Company Secretary, Catherine Smith.

For the purposes of company law, all Trustees are Directors of the charity. Trustees have a duty to act in the best interest of the charity and must not place themselves in a position where they have, or may have, direct or indirect interests that conflict with their duties. As such, the charity has a conflict-of-interest policy in place, which sets out guidelines and procedures for identifying, monitoring, and managing actual and potential conflicts of interest. A register of Trustees’ interests is maintained, and reviewed annually by the Board, with interim updates presented at Board meetings whenever amendments or additions are made. There is a standing agenda item at each Trustee meeting requiring those present to declare any conflicts of interest relating to matters to be discussed at the meeting. Trustees and members of the Executive team sign an annual declaration to confirm the accuracy of their declared interests.

The Board has a Schedule of Matters Reserved and is responsible for setting the group’s strategic direction, overseeing governance and risk, setting budgets, and ensuring that the charity achieves its objectives and complies with its legal and regulatory obligations. Some specific duties of the Board are delegated to the Audit, Risk and Compliance Committee, and the Nomination and Remuneration Committee, with the day-to-day running of the charity managed by the Executive Team.

The Board held five full meetings during 2025, as well as strategic planning days and additional shorter meetings held on specific subject areas as required.

On behalf of the Board, the Nomination and Remuneration Committee oversees arrangements for Board and Trustee effectiveness and the periodic review of the collective performance of the Board and its Committees. During 2025, we continued to review our performance and further strengthen our governance practice, including the introduction of a new Trustee Code of Conduct; the Code sets out the principles, standards, and responsibilities expected of all members of the Board, and provides a clear framework for governance, accountability, and ethical behaviour, ensuring Trustees act in the best interests of the Charity and its beneficiaries while fulfilling their duties under charity law, company law, and the Charity’s governance framework. In addition, the Chair has annual discussions with individual Trustees to review their performance and contribution to the Board; the performance of the Chair is reviewed annually by the Senior Independent Director.

Late in 2025, preparations commenced for the next Board effectiveness review, to be undertaken by an external third party in 2026. This review will consider the updated Charity Governance Code and assess the extent to which the refreshed principles are reflected in the Charity’s current governance practices, supporting our commitment to continuous improvement and high standards of governance.

Trustee induction and development

Each new Trustee undertakes a structured induction programme, including a comprehensive pack outlining the charity's purpose, structure and status, its finances, the governance framework and operational model, financial structure, and wider operating environment. Trustees also have full access to the Board Portal, which provides past Board and committee papers, key policies, and strategic documents. To support effective governance, Trustees are provided with the Charity Governance Code, essential Charity Commission guidance, and access to online training on Trustee responsibilities. Induction activities include meetings with senior managers from across the charity, and opportunities to observe frontline work such as client call listening.

Following initial induction activity, there are a number of ongoing development opportunities available for Trustees. In addition to support for any specific training or development activity that may be identified or requested, for example through the annual review process, additional areas of learning and insight are covered via activities such as stakeholder engagement sessions and through engaging external expertise. Notably in 2025, a new programme of focused 'familiarisation' sessions was introduced providing Trustees with further insights into key areas such as regulatory compliance, public affairs and campaigning, finance, and the wider debt management sector.

Trustee term of duty

New Trustees are initially appointed for a term of three years, which may be extended for a further three years upon approval by the Board. A Trustee may, in exceptional circumstances, be appointed for a third three-year term where the Board determines that it is in the best interest of the charity, and in line with agreed criteria for such an extended term.

Trustees, with the exception of the Chair of the Board, receive no remuneration for their services, but are entitled to receive reasonable expenses when costs are incurred as a result of carrying out their normal duties and responsibilities. A Trustee Expenses Policy aligning with Charity Commission guidance is in place to ensure no Trustee is 'out of pocket' as a result of carrying out their Trustee duties and responsibilities and, importantly, to help ensure that being a Trustee is open to all. Third-party indemnity provision is in place for the Trustees.



Board and Committee meeting structure

The Board has two specialist committees to assist it with its work – Audit, Risk and Compliance, and Nomination and Remuneration – which have specific responsibilities as outlined below. Trustees may be invited to serve on one or more Board committees. Executive team members attend Board and Committee meetings by invitation. Committee membership details are shown in the table on page 31. The Chair of each Committee reports back to the Board at its next formal meeting and minutes of Committee meetings are circulated to all Trustees.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee's purpose is to provide assurance to the Board that the group as a whole has an effective system of internal controls, risk management, and financial reporting. This includes oversight of internal and external audit processes. The areas covered within the Committee's terms of reference include financial reporting; internal controls and risk management systems; financial crime, whistleblowing, and anti-bribery; internal audit; and external audit. The Committee met four times in 2025.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee's purpose is to provide oversight of the selection and appointment process for trustees and key senior management, and remuneration and organisational culture arrangements. This also includes succession planning; Board, Trustee and executive performance; the overall reward and recognition framework; equality, diversity and inclusion; organisational culture;

contractual arrangements for the Executive Team; and the review of remuneration trends and market analyses. The Committee met three times in 2025, in addition to meetings relating to the recruitment of new Trustees.

Subsidiary Company Boards

The two subsidiary companies – Consumer Credit Counselling Services (Equity Release) Ltd and Consumer Credit Counselling Services Voluntary Arrangements Ltd – each have their own Board of Directors and met at least quarterly in 2025. The CCCS (Equity Release) Ltd subsidiary Board held additional monthly meetings during the year to closely monitor progress against the agreed exit strategy, leading up to the planned legal closure of the company in 2026. Yvonne Klimaytys, as a StepChange Trustee, sits as Non-Executive Director on both the subsidiary boards, and the StepChange CEO, Vikki Brownridge, is Chair of both boards. There are regular reports on the work of the subsidiaries to the StepChange Board as parent company, including the circulation of minutes of subsidiary board meetings.

Executive

The Executive team manages the charity's daily activities. During 2025, responsibilities were governed through formally minuted monthly meetings of the Executive Board, quarterly meetings of the Executive Risk and Conduct Committee, and biannual meetings of the Executive Talent Board.

The **Executive Board** provides focus on strategy and planning, day-to-day oversight, and the management of financial and colleague performance, service delivery and operational volumes. It develops business plans, policies, procedures, and budgets for presentation to the Board of Trustees and is responsible for their implementation, ensuring the effective delivery of the charity's purpose, strategy and objectives. The Executive Board also oversees the change

portfolio, ensuring alignment with strategic priorities and that programmes deliver value.

The **Executive Risk and Conduct Committee** provides oversight of the charity's risk, compliance, audit and control frameworks. It informs the Executive of material risks, breaches or operational failures to enable timely escalation to the Board of Trustees and to the Audit, Risk and Compliance Committee. Its remit includes risk management; compliance; information security and data protection; client money; financial crime; health and safety; and internal audit.

The **Executive Talent Board** ensures that the charity has the leadership and capability needed to deliver its strategic priorities, now and in the future. As part of managing people-related and organisational risk, it reviews the senior leadership talent matrix and succession plans to identify high-potential colleagues, assess succession gaps and opportunities, and agree actions to support future capability needs.

From 2026, enhancements have been made to strengthen executive governance and support operational delivery:

- **The Executive Risk and Conduct Committee and the Executive Talent Board are now formal components of the Executive Board meeting structure, ensuring that risk, conduct, compliance and talent discussions are embedded within core executive decision-making.**
- **A new Run the Charity Committee has been established to provide structured oversight of the operational running of the charity over a 12-month horizon. This committee supports forward planning, operational performance monitoring and cross-organisational coordination, ensuring day-to-day delivery remains aligned to strategic priorities.**

Charity Governance Code

The charity's governance framework aligns with the principles of the Charity Governance Code. A refreshed version of the Code was published in November 2025, and places a stronger emphasis on the values, behaviours and culture that underpin effective governance, as well as the processes that support good decision-making. The updated Code's core principles include key foundations; organisational purpose; leadership; ethics and culture; decision making; managing resources and risks; equity, diversity, and inclusion; and Board effectiveness.

The Code is applied through an "apply or explain" approach, and therefore remains voluntary, but continues to be widely regarded as the benchmark for high-quality charity governance. While compliance is not a regulatory requirement, the Board and the charity are committed to meeting the Code's principles and outcomes and recognise how a commitment to meeting the Code provides strong assurance to all stakeholders that the charity is well governed. The Board uses the Code as a practical point of reference to drive a process of continual improvement built upon the Code's principles, key outcomes, and recommended practice.

As noted above, preparations for the next externally facilitated Board effectiveness review commenced in late 2025. The review, to be undertaken in early 2026, will consider the updated Code as part of its assessment.

Equality, Diversity and Inclusion

The Board recognises that embedding Equality, Diversity and Inclusion (EDI) across the charity is essential to ensuring we best support our clients, deliver meaningful public benefit, and achieve our strategic objectives. We also acknowledge that being a diverse and inclusive organisation helps us to attract, retain and develop the best talent, supports innovation, and enhances our brand

and reputation. A continued commitment to EDI is therefore vital to the quality of our relationships with clients, colleagues and the wider stakeholder community.

In 2025 we continued to build on our foundations, embedding EDI into our people processes and across the organisation. Our aspiration **is to be a truly inclusive and diverse employer that breaks down barriers and creates opportunities for all colleagues to succeed.**

For 2026, we have been reviewing and resetting our EDI focus to ensure it aligns with our new People and Culture strategy and the broader five-year organisational strategy. The reset for 2026 and beyond focuses on:

- **Getting the basics right. Improve data capture and monitoring to enable informed, strategically aligned, meaningful action.**
- **EDI into culture. Integrate EDI into policies, processes, and leadership objectives.**
- **Focusing on ethnic diversity in leadership. Take positive action to diversify the senior leader pipeline.**
- **Creating a data driven, insight led strategy. Use internal data, external benchmarks, and engagement insights to guide decisions.**

Throughout 2025 we launched a new EDI e-learning module for all colleagues. All new starters to the charity are required to complete the module and all colleagues complete it as a refresher annually as part of our mandatory learning portfolio. The module focuses on creating common understanding of EDI and the behaviours expected by all our colleagues. We established a new EDI Working Group made up of 18 colleagues from across the organisation, ensuring diverse perspectives actively shape our direction and decision making.

We also strengthened our focus on accessibility, with accessibility office audits across all sites to identify improvements

that will enhance the experience of both colleagues and visitors. Alongside this, we delivered specialist training in Scotland focused on disability and neurodiversity, helping to build confidence, awareness, and practical understanding among colleagues.

Our commitment to visible inclusion has remained strong. We were proud to participate in the Leeds Pride Parade as part of Pride Month, demonstrating our ongoing support for LGBTQ+ colleagues and communities. As part of our reset, we have established a calendar of similar EDI activities to demonstrate our commitment internally and externally. This has been developed with our EDI Working Group to ensure that our focus reflects what is important to our colleagues and the communities we serve.

Within its own practice, the Board recognises the value of having a diverse group of Trustees with a broad range of experience, skills, backgrounds and perspectives. It aims to foster an inclusive culture that promotes balanced, well-informed decision-making in the best interests of clients and wider society. The Nomination and Remuneration Committee regularly undertakes an audit of Trustees' skills, experience and diversity to identify gaps and inform recruitment and training priorities; these are being refreshed following our most recent recruitment in 2025. When recruiting new Trustees, the Committee considers how best to attract a diverse pool of candidates, taking steps to ensure an inclusive recruitment process and carefully selecting where and how vacancies are publicised. This approach has strengthened representation on the Board, including the recruitment of two Trustees with lived experience of problem debt in 2023 and three further Trustees appointed in 2025.

The Nomination and Remuneration Committee on behalf of the Board continues to lead on monitoring the implementation of the EDI strategy. A member, and former Chair of the Committee, Helen Dean, takes on the role of Trustee EDI champion.

Stakeholder engagement

The Board recognises the importance of effective engagement with the charity's stakeholders, including clients, colleagues, partners, regulators commissioners and the wider ecosystem. Such engagement helps to build trust and confidence, informs decision-making, and enables the Board to assess the charity's progress in achieving its charitable purposes and strategic objectives.

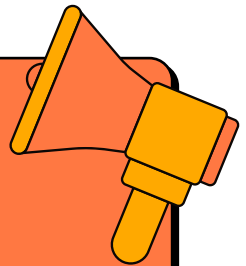
The Chair of the Board, and other Trustees, are involved in regular external meetings and events with partners and the wider

debt advice sector. In addition, throughout 2025 a programme of external speakers at Board meetings was introduced, which was welcomed by Trustees and enriched their discussions. Guests from partner organisations, alongside inspiring individuals, shared insights on topics such as Gen Z, social media campaigning, emerging sector trends, and the strategic priorities of other organisations. These contributions helped broaden the Board's perspective and informed its ongoing strategic thinking.

Client Voice:

As well as participating in client call-listening exercises and discussing quarterly 'Voice of the Client' reports at Board meetings, Trustees are also now involved in the recently refreshed client focus group meetings. The objective of the group is for StepChange to undertake research with clients, with Trustees observing these sessions to hear first-hand about the experiences, needs and wants of clients. This provides valuable insight to the Board and the charity to help shape future propositions and client experiences. It also keeps Trustees up to date with issues affecting clients and provides insight into the impact on their lives.

We held two focus groups in 2025, and outputs and recommendations from each session are shared with the full Board and with the Client Steering Group who ensure any improvements are progressed. In addition, during the 2025 Board awaydays, Trustees participated in a dedicated 'Voice of the Client' session, involving an informal facilitated discussion with a small group of StepChange clients. To complement these activities, the Chief Executive undertakes structured one-to-one client interviews twice yearly, providing qualitative insight into client experience which informs senior leadership discussions and supports continuous improvement.



Colleague Voice:

In addition to individual Trustees making ad hoc visits to meet with colleagues at StepChange offices across the country, the Board also runs a programme of colleague engagement sessions as part of its summer planning awaydays. These sessions enable all Trustees to meet informally in small groups with colleagues from across different areas of the charity. They continue to prove insightful and positive for both Trustees and colleagues, strengthening mutual understanding and supporting the Board's commitment to hearing the colleague voice. In 2025, the Board also met formally with members of the charity's newly refreshed Colleague Board, whose purpose is to strengthen how the colleague voice is represented within governance and decision making.

Remuneration of senior employees

The charity has a pay management policy that applies to all colleagues and is regularly reviewed by the Nomination and Remuneration Committee and approved by the Board, most recently in December 2025. The overriding principle of the policy is that the charity's total reward offering should be competitive, fair and sustainable. The principles underpinning the pay management approach include ensuring that basic pay reflects a colleague's skills, competence and capability to perform their role; maintaining a commitment to equal pay in line with the charity's approach to equality, diversity and inclusion; and aligning all roles to a pay range constructed around market-median levels.

The pay management policy sets out the current approach to pay and reward introduced through the strategy and clarifies how pay is benchmarked and managed. This includes annual pay reviews and other pay increases that reflect the development of skills and knowledge.

The Nomination and Remuneration Committee determines the remuneration of the Executive team and makes recommendations to the Board on the remuneration of the Chief Executive, in line with the pay management policy. Executive appointments are made following fair and open competition, with salary levels benchmarked and set at the advertising stage. The remuneration of the Chief Executive, along with the salary ranges for other members of the Executive team, is published in the financial section of this annual report. As the Chief Executive's salary was initially set as a developmental salary, it was reviewed for 2025 to reflect the evolving nature of the role and updated market benchmarking.



Trustees report

Board of Trustees on 21 April 2026		Delegated Board Committees		Operating Subsidiaries Boards
Trustees	Year of appointment	Audit, Risk and Compliance	Nomination and Remuneration	
Lesley Titcomb CBE (Chair of the Board)	2019		Member	
Sue Acton	2023		Member	
Mike Ashley	2023	Member		
Nick Caplan	2019	Chair		
Helen Dean CBE (Senior Independent Director)	2019		Member*	
Liz Harding	2023		Chair*	
Ramon Kaur	2025		Member	
Yvonne Klimaytys OBE	2021			Director
Sean Lynskey	2025	Member		
Lisa Mellor	2025	Member		
Janet Pope	2024	Member		
Chris Wood	2021		Member	

*Helen Dean held the role of Chair of the Nomination & Remuneration Committee until 31/12/25;
Liz Harding took on the Chair role with effect from 1 January 2026.
Chris Stern stood down as Trustee and Senior Independent Director with effect from 30 June 2025.

Trustees

Lesley Titcomb CBE

Lesley joined the Board in 2019 and was appointed Chair in May 2024. She is also a member of the Nomination and Remuneration Committee.

Lesley is Chair of the Market Harborough Building Society and is an independent non-executive director of Pay.UK. She serves as a Governor of the University of Hertfordshire where she chairs the People & Culture Committee and the Vice-Chancellor's Remuneration Committee. Previously, Lesley was Chief Executive of The Pensions Regulator, and, before that, Chief Operating Officer and a Board member of the Financial Conduct Authority from 2010 to 2015. She has worked in financial services regulation since 1992 and is a qualified Chartered Accountant.

Sue Acton

Sue joined the Board in 2023. She is a member of the Nomination and Remuneration Committee, and the Board's Client Champion. She is a freelance facilitator, researcher, and trainer, drawing on the rich experience of an unusual career path, with a focus on customer vulnerability and financial services, as well as gambling related harm. Sue previously worked for Barclays, holding senior roles in operations, marketing, and diversity and inclusion. After overcoming personal challenges linked to a gambling addiction, Sue returned to banking as part of the vulnerable customer team at Monzo. Recent experience of working directly with people in difficult situations and her role as a Citizens Advice volunteer adviser, combined with her own lived experience of financial difficulty, means Sue brings a unique perspective to her work.

Mike Ashley

Mike joined the Board in 2023. He is a member of the Audit, Risk & Compliance Committee. Until early 2023, he was a Non-Executive Director and Chair of the Audit Committee of Barclays Plc, a role he had taken on following retirement from KPMG in September 2013.

At KPMG he had spent most of his career as an audit partner focussed primarily on the banking sector but latterly was also responsible for KPMG's own risk management function, serving as the firm's designated Ethics Partner. He is currently a trustee at the Charities Aid Foundation and at The Scout Association and has previously held Board member roles at the Cabinet Office and the Charity Commission.

Nick Caplan

Nick joined the Board in 2019 and is Chair of the Audit, Risk and Compliance Committee. Nick brings technology, strategy and operational experience from a broad range of sectors. He has worked in technology and financial services for much of his career and has co-founded a number of companies in both the fintech and data/technology areas.

Nick is a Director of Vitality Life and Health, Chair of AND Digital, and Chair of Thatcham Research. Significant prior roles included Chair of Faster Payments, a key part of the UK's payments infrastructure, Chair of MyCSP, a public sector pensions administrator, and an executive director of Logica, a major IT services company.

Helen Dean CBE

Helen joined the Board in 2019; she is the Senior Independent Director, a member of the Nomination and Remuneration Committee, and the Board Champion for Equality, Diversity and Inclusion. A key architect of auto-enrolment, Helen began her career at the Department for Work & Pensions, leading policy and legislation that established Nest, serving as CEO from 2015 to 2024. Helen cares deeply about delivering great outcomes for savers through sustainable and responsible investment, and throughout her career has maintained a passionate interest in addressing financial inequalities and promoting financial resilience.

Helen is Chair of the Standard Life Master Trust, a Governor of the Pensions Policy Institute, and Chair of the Governance Committee for Your Island Pension (Guernsey). She also works in her local community of Alnwick in Northumberland, where she Chairs Alnwick Community Enterprise and is a Trustee of the Bailiffgate Museum. Helen was awarded a CBE in the 2021 New Year Honours list for her services to pension saving.

Liz Harding

Liz joined the Board in July 2023 and from January 2026 became Chair of the Nomination and Remuneration Committee. She is also the Board's lead trustee working with the Charity's Client Focus Group, which aims to provide greater understanding of the views of clients and improve the overall client experience of StepChange. Liz brings lived experience to the Board as a previous beneficiary of the Charity's life-changing services and has a true passion for the cause.



Liz is a people management specialist and freelance consultant supporting organisations through periods of transformative change and growth, with experience as a Charity CEO and senior leader across a variety of sectors. Liz has an understanding and appreciation of the importance of meeting an individual's needs, ensuring clients and consumers remain at the heart of decision making.

Ramon Kaur

Ramon joined the Board in June 2025. She is a member of the Nomination & Remuneration Committee. Ramon brings nearly 20 years of experience to the StepChange Board, having had a broad career spanning politics, public affairs, regulation, policy and communications. She is currently Director of Corporate and Public Affairs at EY LLP.

Ramon has specialist experience in financial services including banking, and working with fintechs and startups, helping organisations navigate complex regulatory environments, develop advocacy strategies and engage with stakeholders. Ramon is committed to helping StepChange achieve its mission to help people become debt free. She grew up in the Midlands, studied law at Oxford University, and currently lives and works in London.

Yvonne Klimaytys OBE

Yvonne joined the StepChange Board in 2021. She is also a Non-Executive Director of the charity's two trading subsidiaries, CCCS (Equity Release) Ltd and CCCS Voluntary Arrangements Ltd. Yvonne has been involved in credit and debt matters for over 36 years and was previously the Chief Executive of Money Advice Scotland. She is passionate about the provision of debt advice and financial education and treating customers fairly.

Yvonne is currently leading the Independent Review of Scottish statutory debt solutions and is also a Non-Executive Board member and Director across the public, private and voluntary sectors, including the Credit Services Association, and Pollok Credit Union. In 2002 Yvonne received the OBE for services to disadvantaged communities, and in 2018 she was awarded the inaugural "Women in Credit" Lifetime Achievement Award.

Sean Lynskey

Sean joined the Board in June 2025 and is a member of the Audit, Risk & Compliance Committee. He is an experienced financial services leader with a background in digital banking, lending, and governance. He began his career in retail banking before moving into fintech leadership. As a founding member and former Chief Operating Officer at Chetwood Financial, he led the development of lending products designed to eliminate fees and improve customer experience. He now advises banks and fintechs on strategy and growth in consumer finance.

Sean also serves on the board of a national higher education charity, where he has helped shape strategic and financial planning. He is currently completing an MBA at Warwick Business School.

Lisa Mellor

Lisa joined the Board in June 2025 and is a member of the Audit, Risk & Compliance Committee. She is the Chief Risk Officer at Aztec Group, a regulated financial services firm that offers fund and corporate services and carries overall responsibility for the risk management strategy to support Aztec's growth plans, ensuring risk is managed effectively for the Group, its stakeholders and customers. Lisa's remit covers Risk, Regulatory Compliance and Internal Audit, and she sits on the Aztec Group Executive Committee, with a Group-wide remit across all operational jurisdictions.

Lisa is an experienced executive leader in Financial Services and FinTech, having worked in banking, consultancy, payments and data analytics. Before joining Aztec, she was the Chief Risk Officer at Pay.UK, the operator and standards body for the UK's interbank payment systems. Prior to that, she spent five years working at Experian. Lisa is a Certified Internal Auditor.

Janet Pope

Janet joined the Board in January 2024. She is a member of the Audit, Risk and Compliance Committee. She joined Lloyds Banking Group in 2008 to run the savings business and from 2012 to 2023 was Chief of Staff and Chief Sustainability Officer. Janet's earlier roles included Chief Executive at Alliance Trust Savings, and Executive Vice President Global Strategy at Visa International. She also held a variety of roles at Standard Chartered Bank.

Janet has extensive non-executive experience in government departments, charities, and the private sector. She is currently Chair of the Charities Aid Foundation Bank, a Board member at Yorkshire Building Society, a Board member at the Department for Culture, Media and Sport (DCMS) and Chair of the DCMS Audit & Risk Committee, and a Trustee of Camden School for Girls.

Chris Wood

Chris joined the Board in 2021 and is a member of the Nomination and Remuneration Committee. He has significant experience in the financial services, lending and payments sectors, and is a qualified chartered accountant.

Chris is a seasoned executive with over three decades of experience running scale businesses within the payments industry. For the last five years, he has led the Worldpay SMB business in the UK and Ireland. Following Worldpay's acquisition by Global Payments, Chris has extended his remit to run the consolidated Global Payments SMB business in the UK and Ireland. Prior to joining Worldpay, Chris held senior leadership roles at Barclays and Barclaycard, where he oversaw large-scale operations across the UK, Europe, and North America. He began his career as a consultant at Accenture, where he specialised in financial services and comms/hi-tech, working with clients across Europe, North America, and Australasia.

Other Officers:

Catherine Smith – Chief of Staff and Company Secretary

Catherine joined the charity in February 2024 as Legal Counsel and Company Secretary, becoming a member of the Executive Team in January 2026 when she was appointed Chief of Staff and Company Secretary. She oversees the charity's governance and legal functions and supports the effectiveness of the Executive Team. As Chief of Staff, Catherine drives alignment across executive priorities, strengthens decision-making, and connects people, priorities and processes to ensure clear communication and coordinated action. She also deputises for, or represents, the Chief Executive on cross-organisational matters.

Catherine's career spans both the charity and education sectors, where she has held roles in governance, project management, process improvement and strategic planning. She is a member of the Chartered Governance Institute, having completed her governance qualifications in 2025, and is currently a Trustee of the Frank Parkinson Yorkshire Trust.



Executive

Vikki Brownridge – Chief Executive

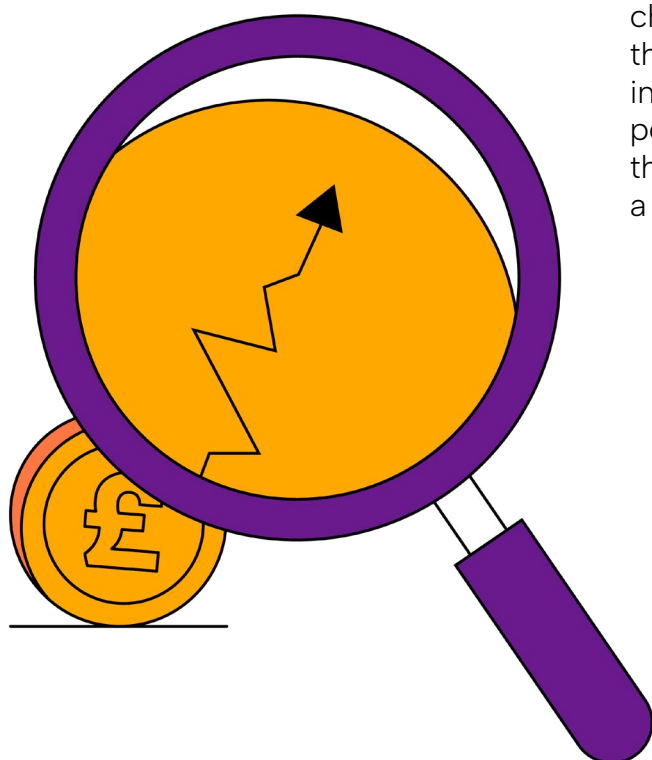
Vikki joined the charity in 2005 and was appointed CEO in 2023. Prior to this, she led the charity's operational teams which provide debt advice and ongoing solution service provision for our clients across the UK. Previously, she has held several senior leadership positions within the charity including Head of Debt Advice where she was instrumental in the launch of the sector's first online debt advice service, and Director of Client Experience where she was responsible for the charity's strategic relationships, business development and funding.

Over the years Vikki has also played an active role in shaping and defining the sector working alongside the Money and Pensions Service, financial services partners and other debt advice organisations. Vikki is also a member of the Credit Strategy Women and Diversity in Credit Steering Committee, and a board member and Chair of the Finance and Risk Committee at the Money Advice Liaison Group.

Gail Arkle – Chief Growth Officer

Gail joined the charity in 2019 and became a member of the Executive Team in 2021. She was appointed Chief Growth Officer in January 2024, leading the Growth and Innovation directorate and serving as a Director of StepChange Voluntary Arrangements. Gail has over 26 years of experience in the financial services and third sectors and is passionate about creating positive social impact and good long-term outcomes and improved resilience for financially vulnerable people. Gail oversees insight and strategy, strategic partnerships, business development and bid management, and the innovation team, all focused on delivering the organisation's long-term growth ambitions. Gail also represents the charity publicly, speaking on problem debt and financial vulnerability in the media and at parliamentary roundtable events.

Gail is a Trustee of Scope, the national disability charity, where she brings her own lived experience of disability. She is committed to advancing Scope's vision of an equal future with disabled people, championing inclusion, accessibility, and the removal of systemic barriers, while inspiring action for the 16 million disabled people in the UK. She is also a Fellow of the Chartered Institute of Marketing and a director of ArkleBoyce Architects Ltd.



Charlotte Chambers – Chief Digital Officer

Charlotte joined StepChange in 2023, taking responsibility for Digital and Change Services across the charity. She now leads the organisation's technology, digital strategy and transformation programmes, as well as IT operations and support services that underpin the delivery of both current services and longer-term strategic ambitions.

Charlotte has worked in technology and change for more than 25 years, gaining experience across a range of roles and sectors, including significant time in the retail industry. Throughout her career she has developed a strong commitment to supporting future talent and has led coaching and mentoring initiatives, including the Women in Technology programme at Asda.

Modaser Choudhary – Chief Finance Officer

Modaser joined StepChange in April 2025. He brings over 20-years' multi-sector experience across financial services, consulting, the charity sector and higher education. He has most recently been working as interim Chief Financial Officer for a national mental health charity and a large local authority trading company.

Modaser has significant experience in strategic planning, finance operations and delivering change. He has broad financial, commercial and transformational skills developed in complex organisations both nationally and internationally including Durham University, Benenden Health and AIG. Modaser is a Chartered Accountant having qualified at EY. He has held a number of charity Trustee roles and is currently a Governor at a large regional college group.

Martin Clift – Chief Operating Officer

Martin joined the charity in September 2024 as Chief Operating Officer. He leads all client facing operations, including debt advice and client support services as well resource planning and performance and quality assurance. In addition, he is responsible for the charity's physical estate, facilities, health and safety, and sustainability. He is the Executive Sponsor for digital transformation and client journey optimisation. Martin is passionate about delivering strong client outcomes through digital first, data led, services powered by colleague experts.

Previously Martin has worked in financial services for many years, across several roles, most notably leading mortgage operations for a large retail bank, where he led a number of significant transformation programmes, positively impacting both customer experience and organisational efficiency. Martin is currently a Trustee of Barnsley Hospice.

Richard Lane – Chief Client Officer

From mid 2025, Richard has taken a 12-month sabbatical from the role, which is being covered on an interim basis by Caroline Darnbook.

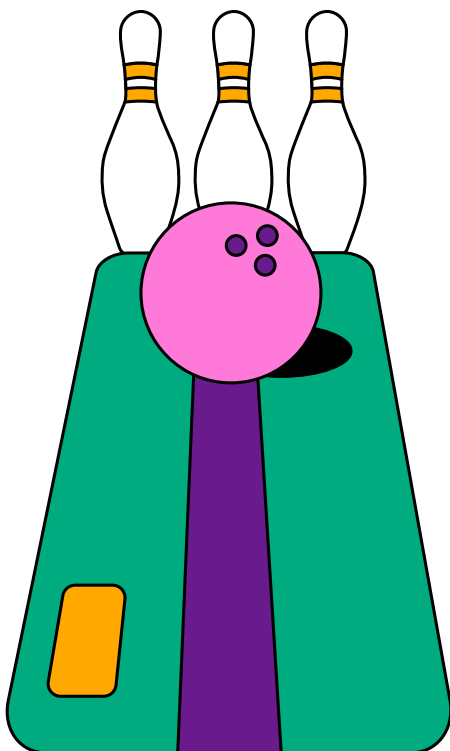
Richard joined the charity in 2018 and leads the charity's External Affairs and Product and Marketing departments, which covers marketing, policy, campaigning, and communications functions, as well as the design of all StepChange's products and services to meet evolving client need.

Richard has previously worked across the charity sector in a number of roles, notably leading the communications and campaigns teams at the national disability charity, Scope, and working on campaigns and public affairs at the LGBT charity Stonewall. Richard is a Trustee of the Sheila McKechnie Foundation.

**Caroline Darnbrook –
Interim Chief Client Officer**

Caroline joined the charity in 2019 as Head of Marketing and Brand, quickly expanding her remit to include Digital and Product Management. She was appointed as Interim Chief Client Officer in 2025. In this role, Caroline oversees the end-to-end client journey, ensuring services are designed and delivered to meet evolving client needs and deliver long-term positive outcomes, as well as leading the charity's marketing strategy, external affairs, and communications functions.

Prior to joining the charity, Caroline held a number of senior product and marketing roles, including at Darlington Building Society, and National Australia Group Europe. With over 20 years' experience in financial services and client-focused transformation, Caroline brings a deep understanding of brand, digital, and product innovation. She is passionate about designing services that are inclusive, accessible, and impactful for those who need them most.



Alex Pitcher – Chief Risk Officer

Alex joined StepChange in 2023, leading the charity's risk management, governance, legal, data protection, and regulatory compliance functions. His role focuses on ensuring risks to delivering the charity's strategy are effectively managed and that clients receive consistently good outcomes.

Before joining StepChange, Alex developed extensive expertise in risk, compliance, and audit through senior roles at TransUnion, Yorkshire Building Society, PwC, and NatWest. His experience spans financial services, regulatory frameworks, and corporate governance. Alex also contributes to the wider community as Chair of Trustees at C3 Life Church and as a Trustee of Oasis Community Housing, helping shape their direction and support community needs.

Sue Murdoch – Chief People Officer

Sue joined StepChange in June 2025 as Chief People Officer and leads the charity's People and Culture function. Her remit covers HR Services and Advice, HR Business Partnering, Learning and Organisation Development, Reward and Performance, and Employee Engagement, as well as Equality, Diversity and Inclusion. She is responsible for shaping a people strategy that supports the charity's culture and long-term organisational goals.

Sue has over 25 years' experience across the full breadth of HR, spanning generalist and specialist roles. Her background includes building and leading HR functions, delivering complex projects and people strategies, and creating agile, commercially focused teams aligned with organisational needs. Before joining StepChange, Sue worked across Telecoms, Professional Services, Financial Services and Banking, including leading HR builds for Bank North and Alba Bank in support of PRA/FCA regulatory approval.

Charitable purposes and the public benefit

Trustees confirm that they have had regard to the Charity Commission’s guidance on public benefit in reporting on the charity’s objectives and achievements (on page 23), in its planning activities, when exercising their powers and duties, including when setting policies and priorities for the year ahead.

The Board reviews the charity’s strategic aims and objectives each year to ensure they remain focused on its charitable purposes. The charitable purposes are also reviewed periodically alongside the external environment in which the charity operates, to make sure that StepChange and its purposes stay relevant and valid.

These charitable purposes, according to definitions within the Charities Act 2011 and set out in the charity’s Articles of Association are (i) the prevention or relief of poverty amongst persons who are in debt, and (ii) to advance the education of the public in general (and particularly amongst persons in debt or at risk of falling into debt) on the subject of financial budgeting, financial products and financial services.

Section 172(1) Statement

The Trustees, as company directors of StepChange, must act in accordance with a set of general duties as detailed in Section 172 of the Companies Act 2006, which sets out their duty to promote the success of the company, and in doing so have regard to;

a. Consequences of any decision in the long term

Trustees developed StepChange’s priorities (pages 18 to 20 of this report) as part of a long-term strategy to eradicate problem debt in the UK, which supports fulfilment of our charitable purposes. The needs of our clients and those of our other key stakeholders form the bedrock of our strategic plans. Trustees routinely review the external landscape, including the political environment, and seek and evaluate feedback from our various stakeholders, to ensure that our plans are adapted, as necessary, to meet changing circumstances.

Trustees keep under review the charity’s principal risks and opportunities, consider emerging risks and ensure that our plans are adapted in response as appropriate. More information on our risks can be found on pages 14 to 18 of this report.

b. The interests of the charity’s colleagues

Our colleagues are central to the success of the charity and the delivery of our charitable purposes. The Trustees and Executive Team take account of colleagues’ interests in their decision making, ensuring that their views, needs and experiences inform both our strategic direction and the way we operate.

Feedback gathered through regular engagement – including our engagement survey, pulse surveys, listening groups and informal check-ins – directly shapes our organisational priorities. This ensures decisions are rooted in a clear understanding of colleague experience and expectations.

The Colleague Board plays a formal and valued role in our governance framework. Acting as a sounding board on topics such as organisational priorities, wellbeing initiatives and operational change, their insights are reported to the Executive and Trustees and help to guide ongoing improvements across the charity.

c. Fostering the charity's business relationships with clients, suppliers and others

Our charity exists for public benefit. Central to that is fostering strong relationships with our clients, engaging them to ensure we understand and meet their needs. Our client insights from market research, surveys, focus groups and listening sessions with the Executive and Trustees drives our understanding of how our different client groups receive our services, helping us build a detailed picture of the value we provide and where we can continue to improve. We have developed strong relationships with key suppliers who support our technical infrastructure, to develop mutually beneficial relationships that support the technical advancement of our services to benefit our clients. We ensure that our day-to-day business interactions with all suppliers are conducted in a professional, fair and respectful manner.

d. Impact of the charity's operations on the community and the environment

We recognise our responsibilities to our communities, stakeholders, wider society and environment, and ensure our interactions align with our charitable purposes, values and resources and reflect our responsibility to provide public benefit. This includes our recognition of the need to address climate change and our commitment to promote sustainability and reduce our

environmental impact. Our key priorities include a continual improvement of our environmental performance across all aspects of our operations through minimising carbon emissions, integrating environmental considerations into our decision-making processes, educating and engaging our people about environmental issues and sustainable practices, and complying with all relevant environmental legislation.

e. Maintaining a reputation for high standards of business conduct

As a charity, we ensure that our values, leadership and culture underpin the delivery of our charitable purposes, while also contributing to maintaining public trust in the wider charity sector.

We have a range of policies in place that promote corporate responsibility and ethical behaviour which include conflicts of interests, bullying and harassment, whistleblowing and our code of conduct. We use our organisational values in our recruitment and training for colleagues and Trustees and our induction of new suppliers to ensure these are understood and maintained. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.

f. Acting fairly between members of the charity

At StepChange our legal structure means our Trustees are the sole members of the Charity, which exists to fulfil its charitable purposes and not for the interests of members. Therefore, this element of the section 172 statement does not apply.

Streamlined Energy and Carbon Reporting (SECR) Statement

In 2025, StepChange continued to strengthen its commitment to transparency and environmental responsibility through comprehensive reporting under the Streamlined Energy and Carbon Reporting (SECR) framework. Across our seven UK locations, we recorded total greenhouse gas emissions of 2,083.97 tCO₂e, with no Scope 1 emissions, 153.95 tCO₂e from Scope 2 electricity use, and 1,930 tCO₂e from Scope 3 activities, primarily Purchased Goods and Services and employee commuting. Total energy consumption for the year was 1,479,734 kWh, and our emissions intensity was 1.78 tCO₂e per FTE.



Energy Savings Opportunity Scheme (ESOS) Statement

As part of our wider compliance obligations, StepChange continues to meet all requirements under ESOS. We submitted our latest ESOS Action Plan Update on 5th December 2025 and remain fully compliant with the scheme's mandatory energy assessment and reporting criteria. During the year, we implemented several energy-efficiency measures, including enhanced heating Ventilation and Air Conditioning maintenance, installation of motion-sensor lighting, installed shut down timers on monitors in out of working hours and added upgrades to water-efficient facilities. Our remote working policies and current working practices are also helping to enhance our commitment to reduce commuter carbon emissions. We have introduced advanced sustainable IT practices through certified Waste Electronic, Electrical Equipment certified (WEEE) disposal and strengthened recycling and responsible procurement policies.

Future Energy Usage, Carbon Emissions and Waste Reductions

Looking ahead, StepChange is committed to further reducing its environmental impact, including a long-term ambition to eliminate Scope 2 emissions by transitioning to 100% renewable electricity by 2035. Scope 1 emissions are those that are created as a direct result of our operations, Scope 2 emissions are created from energy we buy, and Scope 3 are all other indirect emissions across our value supply chain.

Planned initiatives include supply chain sustainability assessments, enhanced sustainable travel policies and continued investment in energy-efficient technologies and workplace practices. Our SECR and ESOS reporting along with are dedicated waste reduction initiatives reflects our ongoing dedication to responsible operations, continuous improvement, and supporting a more sustainable future for our colleagues and the clients we support.



Reference and administrative details

Company name

Foundation for Credit Counselling is a company limited by guarantee. It trades under the brand name of StepChange Debt Charity.

Registered and Principal Office

123 Albion Street, Leeds LS2 8ER

Important numbers

Company number: 02757055 in England and Wales. Charity numbers: 1016630 in England and Wales, and SC046263 in Scotland. FCA number 729047.

Constitution

The governing document of the charity is its Memorandum and Articles of Association. The charitable purposes for which the charity was established are:

- **The prevention or relief of poverty amongst persons who are in debt.**
- **To advance the education of the public in general (and particularly amongst persons in debt or at risk of falling into debt) on the subject of financial budgeting, financial products and financial services.**

Professional advisors

Chartered accountants and statutory auditors

PKF Littlejohn LLP
15 Westferry Circus
London E14 4HD

Internal auditors

Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds LS1 4BN

Legal advisors

Wrigleys Solicitors LLP
17–21 Cookridge Street
Leeds LS2 3AG

Gateley Plc
29 East Parade
Leeds LS1 5PS

Womble Bond Dickinson (UK) LLP
1 Whitehall
Leeds LS1 4BN

External auditors

A resolution for the reappointment of PKF Littlejohn LLP as auditors for the charity for the 2025 financial year was granted at the Board meeting of 30 April 2025.



Statement of Trustees' Responsibilities

The Trustees (who are also directors of Foundation of Credit Counselling for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- **Select suitable accounting policies and then apply them consistently.**
- **Observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019).**
- **Make judgments and estimates that are reasonable and prudent.**
- **State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and**
- **Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.**

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of Information to Auditors

So far as each of the Trustees is aware at the time this report is approved:

- (a) There is no relevant audit information of which the company's auditors are unaware; and**
- (b) Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.**

The Trustees' Report and Strategic Report were signed on behalf of the Trustees by:



Lesley Titcomb CBE
Chair

27 April 2026



Independent Auditor's report

Opinion

We have audited the financial statements of Foundation for Credit Counselling (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- **give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2025, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's income for the year then ended;**
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and**
- **have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's

responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our

responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- **the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and**
- **the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.**

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- **adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or**
- **the parent charitable company's financial statements are not in agreement with the accounting records and returns; or**
- **certain disclosures of trustees remuneration specified by law are not made; or**
- **we have not received all the information and explanations we require for our audit.**

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent charitable company financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made under or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from Companies Act 2006, Charities Act 2011, Charities Accounts (Scotland) Regulations 2006, Financial Conduct Authority's ("FCA") regulations, Anti-Bribery and Corruption Legislation and UK Tax Legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes, review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there is potential for management bias in the timing and recognition of Fair Share income, income from grants, donations and timing of recognition of income from contracts. We addressed this through substantive sample testing of income back to source documents to ensure that income was recognised in accordance with the performance related conditions and within the correct fund. We also independently inquired with management to confirm whether there are any disputes in relation to any income streams.
- We also identified potential for management bias in:
 - the judgements made around recoverability of debtors, which we addressed through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management;

- the depreciation rate and amortisation rate applied to tangible and intangible fixed assets respectively, which we addressed by considering the useful economic life applied for the types of asset held, and re-performing the calculation to ensure it had been performed accurately in line with the stated method;
 - the assessment of the calculation and recoverability of the Fair Share contributions accrued income; and
 - the allocation of support costs across activities and income streams and considering whether assumptions are reasonable and appropriate.
- **As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP
Statutory Auditor

27 April 2026

15 Westferry Circus
Canary Wharf
London E14 4HD

Consolidated statement of financial activities

Year ended 31 December 2025

	Note(s)	Restricted funds 2025 £'000	Unrestricted funds 2025 £'000	Total funds 2025 £'000	Total funds 2024 £'000
Income	∨	∨	∨	∨	∨
Donations	2	-	15,803	15,803	17,820
Charitable activities	3	6,985	38,738	45,723	39,198
Other trading activities	4	-	2,743	2,743	2,866
Investments	5	-	156	156	249
Other	6	-	94	94	60
Total income		6,985	57,534	64,519	60,193
Expenditure	∨	∨	∨	∨	∨
Raising funds: Other trading activities	7	-	1,907	1,907	2,372
Charitable activities	8,9	4,950	54,994	59,944	59,411
Other		-	-	-	-
Total expenditure		4,950	56,901	61,850	61,783
Net income / (expenditure) and net movement of funds for the year		2,035	633	2,669	(1,590)
Reconciliation of funds	∨	∨	∨	∨	∨
Total funds at 1 January		403	12,810	13,213	14,803
Total funds at 31 December	21,22	2,438	13,443	15,882	13,213

The statement of financial activities (SOFA) includes all gains and losses recognised in the year. All activities are continuing with the exception of Consumer Credit Counselling Service (Equity Release) Ltd which ceased operations within the 2025 reporting period.

The accompanying notes form part of these financial statements.

Charity statement of financial activities

Year ended 31 December 2025

	Note(s)	Restricted funds 2025 £'000	Unrestricted funds 2025 £'000	Total funds 2025 £'000	Total funds 2024 £'000
Income	∨	∨	∨	∨	∨
Donations	2	-	16,443	16,443	18,499
Charitable activities	3	6,985	38,738	45,723	39,199
Other trading activities	4	-	-	-	-
Investments	5	-	156	156	249
Other	6	-	94	94	60
Total income		6,985	55,431	62,416	58,007
Expenditure	∨	∨	∨	∨	∨
Raising funds: Other trading activities	7	-	-	-	-
Charitable activities	8,9	4,950	54,994	59,944	59,411
Other		-	-	-	-
Total expenditure		4,950	54,994	59,944	59,411
Net income / (expenditure) and net movement in funds for the year		2,035	437	2,472	(1,404)
Reconciliation of funds	∨	∨	∨	∨	∨
Total funds at 1 January		403	12,485	12,888	14,292
Total funds at 31 December	21,22	2,438	12,922	15,360	12,888

The statement of financial activities (SOFA) includes all gains and losses recognised in the year. All activities are continuing.

The accompanying notes form part of these financial statements.

Balance sheets

Year ended 31 December 2025

	Note(s)	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Fixed assets	∨	∨	∨	∨	∨
Intangible assets	14	-	-	-	-
Tangible assets	15	915	1,132	915	1,132
Investments	16	-	-	0	5
		915	1,132	915	1,137
Current assets	∨	∨	∨	∨	∨
Debtors	17	11,080	11,509	10,518	11,294
Cash and cash equivalents	18	9,317	5,232	9,273	5,051
		20,397	16,741	19,791	16,345
Current liabilities	∨	∨	∨	∨	∨
Creditors: Amounts falling due within one year	19	(5,153)	(4,107)	(5,069)	(4,040)
Net current assets		15,244	12,634	14,722	12,305
Creditors: Amounts falling due after one year	25	(277)	(554)	(277)	(554)
Net assets		15,882	13,212	15,360	12,888
Total group funds	∨	∨	∨	∨	∨
Unrestricted funds	21	13,444	12,809	12,922	12,485
Restricted funds	22	2,438	403	2,438	403
		15,882	13,212	15,360	12,888

The accompanying notes form part of these financial statements.

The financial statements on pages 50 to 74 were approved and authorised for issue by the trustees on 27 April 2026 and were signed on their behalf by



Lesley Titcomb CBE
Chair. 27 April 2026

Cash flow statements

Year ended 31 December 2025

	Note(s)	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Reconciliation of net income / (expenditure) to net cash flows from operating activities	∨	∨	∨	∨	∨
Net movement in funds		2,669	(1,590)	2,472	(1,404)
(Interest income)		(156)	(249)	(156)	(249)
Depreciation and amortisation charge		464	505	464	505
Write off of Investment		-	-	5	-
(Increase) / decrease in debtors		431	(2,814)	775	(2,591)
Increase / (decrease) in creditors		769	(112)	752	(82)
Net cash generated from operating activities		4,177	(4,260)	4,312	(3,822)
Investing activities	∨	∨	∨	∨	∨
Purchase of tangible and intangible fixed assets	15	(248)	(250)	(248)	(250)
Interest received		156	249	156	249
Net cash (used) / provided in investing activities		(92)	1	(92)	1
Net increase / (decrease) in cash and cash equivalents		4,085	(4,259)	4,220	(3,820)
Cash and cash equivalents at 1 January		5,233	9,492	5,052	8,872
Total cash and cash equivalents at 31 December	18	9,317	5,233	9,273	5,052

The accompanying notes form part of these financial statements.

Notes to the financial statements

Year ended 31 December 2025

1. Accounting Policies

The principal accounting policies are summarised below.

a. Basis of preparation

The financial statements have been prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, ("FRS 102"), the Charities Statement of Recommended Practice, Accounting and Reporting by Charities ("SORP") FRS 102, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention. In line with the Charities Accounts (Scotland) Regulations 2006 (as amended), both the consolidated results and the results for the parent charity have been included within the accounts.

The accounts have been prepared on the going concern basis. The company has strong financial resources invested with minimal risk and no borrowings. The charity projects increased expenditure on its Transformation Programme which will be reflected in an annual deficit for 2026 but with reserves remaining above the minimum levels in the reserves policy. There are no material uncertainties about the charity's ability to continue. The substance of the accounting policies have been applied consistently throughout the accounts and the prior year.

The Foundation for Credit Counselling meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of services to members of the public suffering with problem debt.

b. Group accounts

The consolidated accounts incorporate the results of the Foundation for Credit Counselling Limited ('the charity') and its subsidiary undertakings on a line-by-line basis. The consolidated entity is also referred to as 'the group'. The list of all the subsidiary undertakings is shown in note 16.

c. Incoming resources

All income is included when the charity is entitled to the income, the amount can be quantified, and receipt of the funds is probable. The receipt of fair share contributions is deemed probable when an existing disbursement creditor has indicated they are prepared to pay the request for the fair share contribution. For new relationships, amounts are not recognised until such time as an adequate payment history has been established with the creditor. Recognition commences following the receipt of the first two monthly payment requests. Commission income from mortgage advisors and insolvency practitioners is recognised upon the receipt of the notification of creditor approval of arrangements. Investment income is recognised on an accruals basis, using daily rate calculations for funds on deposit and average balance calculations for funds held in current accounts.

Income from grants is recognised on a case-by case basis. For the Money and Pensions Service, Scottish Legal Aid Board, Scottish Ministers and Welsh Ministers grant agreements, income is recognised on submission of a monthly or quarterly grant claim in accordance with the specific terms of each agreement. Funding is not received until the submission of grant claims.

In all cases, grant income is treated as restricted funds, as the provision of grant funding is for specific purposes as described at note 22. Donations are recognised when the charity becomes unconditionally entitled to the funds. Insolvency service income

comprises nominee fee and supervisory fee income. Nominee fees are recognised on acceptance of the appointment following a meeting of creditors and typically for the first five months of the arrangement. Supervisory fees are recognised over the period of the arrangement resulting from ongoing payments by clients. Equity release service income is recognised on notification of the completion of an equity release or mortgage case from third party lenders.

d. Resources expended

All expenditure is accounted for on an accruals basis. Direct costs, including attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Support costs are the costs of functions which support more than one of the charity's activities and have been allocated to those activities on the basis of employee numbers. Governance costs are the costs associated with the governance arrangements of the group. These costs include external and internal audit, legal advice, insurance for Trustees, management costs preparing for and attending trustee meetings and the costs associated with constitutional and statutory requirements. Transformation costs are incremental costs expended to develop and execute a business-wide programme of change.

e. Intangible fixed assets

Intangible fixed assets represent the qualifying costs of development of software where such software is expected to deliver future economic benefits, and the costs of development are separately identifiable and can be reliably measured. Other development expenditures which do not meet these criteria are recognised as an expense as incurred.

Intangible assets are stated at cost less amortisation.

f. Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows: Fixtures, fittings and equipment: 14% – 33.3% on a straight-line basis.

g. Investments

Money market deposits, with maturity periods of more than three months, are current asset investments that are readily convertible into cash at, or close to, their carrying amount. Fixed asset investments are stated at cost in the company balance sheet.

h. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

i. Financial instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments only. There are none which qualify as complex in nature. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

j. Leasing

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

k. Taxation

The charitable members of the group are exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects. The trading subsidiaries do not generally pay UK corporation tax because their policy is to distribute taxable profits to the charity as Gift Aid. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

l. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the Statement of Financial Activities on an accrual's basis.

m. Employee benefits

The costs of short-term employee benefits are recognised as a cost within the Statement of Financial Activities. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n. Funds

Unrestricted funds are donations and other incoming resources for the objects of the charity without further specified purposes and are available as general funds. Restricted funds are funds that can only be used for specific restricted purposes set out by the donor within the objects of the charity. The Landlord Contribution as per note 21 has been deducted from the unrestricted funds to report the reserves net of Landlord contribution.

o. Judgements and key sources of estimation uncertainty

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters below are considered to be the most important in understanding the judgements made and the uncertainties that could impact the amounts reported in the financial statements.

p. Bad debt provision

The provisioning for potential bad debts arising on outstanding far share payments requires judgement and is generally only considered for amounts outstanding for more than 60 days.

q. Cost allocation

Support costs are allocated to charitable activities. Judgement is required in determining and applying the cost drivers appropriate for each support activity.

r. New or Revised Standards or Interpretations

Amendments to FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) and Other FRSs – Periodic Review 2024

On 27 March 2024, the Financial Reporting Council (FRC) issued its Periodic Review 2024 amendments to FRS 102, introducing significant updates designed to improve consistency with International Financial Reporting Standards (IFRS). The majority of these amendments are effective for accounting periods beginning on or after 1 January 2026, with early adoption permitted; however, FCC has not opted for early adoption.

These amendments include a number of changes relevant to FCC, particularly revisions to Section 23 (Revenue from Contracts with Customers) and Section 20 (Leases). Both areas have undergone substantial rewrites to align more closely with IFRS 15 and IFRS 16, respectively.

Revenue Recognition – Section 23

The amended Section 23 introduces a comprehensive five-step model for revenue recognition, directly based on IFRS 15 and replacing the previous risks-and-rewards-based approach. Under the revised standard, entities must:

- 1. Identify the contract(s) with a customer.**
- 2. Identify the performance obligations in the contract.**
- 3. Determine the transaction price.**

4. Allocate the transaction price to the performance obligations.

5. Recognise revenue when (or as) performance obligations are satisfied.

This new model requires a more granular assessment of contractual terms, particularly where goods and services are bundled or delivered over time. It may lead to changes in both the timing and pattern of revenue recognition, especially for arrangements involving variable consideration, multi-element contracts, or performance obligations delivered over time.

Lease Accounting – Section 20

The revised Section 20 moves FRS 102 lessee accounting largely in line with IFRS 16, requiring lessees to recognise almost all leases on the balance sheet. Under the new model, lessees must recognise:

- **a right-of-use asset, and**
- **a corresponding lease liability, measured at the present value of future lease payments.**

Exceptions exist only for short-term leases (12 months or less) and low-value asset leases, which may continue to be treated off-balance-sheet. This represents a significant change from the previous distinction between finance and operating leases, under which many operating leases were expensed as incurred without balance sheet recognition.

Assessment

We have assessed the impact of the FRS102 changes and do not believe these to be material.

2. Donations

	Group unrestricted funds 2025 £'000	Group unrestricted funds 2024 £'000	Charity unrestricted funds 2025 £'000	Charity unrestricted funds 2024 £'000
Donations	15,803	17,820	16,443	18,499

Included within the charity's other donations is £639,600 (2024: £678,650) received from its subsidiary undertakings through Gift Aid Donations.

3. Income from charitable activities

	Restricted funds 2025 £'000	Unrestricted funds 2025 £'000	Total 2025 £'000	Total 2024 £'000
Group	∨	∨	∨	∨
Debt advice and solutions	6,985	38,738	45,723	39,198
Charity	∨	∨	∨	∨
Debt advice and solutions	6,985	38,738	45,723	39,198
Total income for 2024 was:	∨	∨	∨	∨
Restricted				1,762
Unrestricted				37,436

4. Income from other trading activities

	Group unrestricted funds 2025 £'000	Group unrestricted funds 2024 £'000
Insolvency services	2,410	2,378
Equity release services	334	488
	2,743	2,866

5. Investment income

	Group unrestricted funds 2025 £'000	Group unrestricted funds 2024 £'000	Charity unrestricted funds 2025 £'000	Charity unrestricted funds 2024 £'000
Bank interest	156	249	156	249
	156	249	156	249

6. Other income

	Group unrestricted funds 2025 £'000	Group unrestricted funds 2024 £'000	Charity unrestricted funds 2025 £'000	Charity unrestricted funds 2024 £'000
Commission income from mortgage advisors and insolvency practitioners	65	60	65	60
Other	29	0	29	0
	94	60	94	60

7. Expenditure on raising funds: other trading activities

	Group unrestricted funds 2025 £'000	Group unrestricted funds 2024 £'000
Insolvency services	1,888	1,738
Equity release services	20	634
	1,907	2,372

8. Expenditure on charitable activities

	Direct costs 2025 £'000	Support & governance costs 2025 £'000	Total 2025 £'000	Total 2024 £'000
Group unrestricted funds	▼	▼	▼	▼
Debt advice	11,244	12,371	23,615	25,624
Client management	9,935	10,979	20,914	23,057
Promotion of charitable purpose	7,315	3,150	10,465	8,471
Total	28,494	26,500	54,994	57,152
Group restricted funds	▼	▼	▼	▼
Debt advice	4,200	642	4,842	2,104
Client management	-	-	-	-
Promotion of charitable purpose	90	18	108	155
Total	4,290	660	4,950	2,259
Total expenditure on charitable activities	32,784	27,160	59,944	59,411
Charity unrestricted funds	▼	▼	▼	▼
Debt advice	11,244	12,371	23,615	25,624
Client management	9,935	10,979	20,914	23,057
Promotion of charitable purpose	7,315	3,150	10,465	8,471
Total	28,494	26,500	54,994	57,152
Charity restricted funds	▼	▼	▼	▼
Debt advice	4,200	642	4,842	2,104
Client management	-	-	-	-
Promotion of charitable purpose	90	18	108	155
Total	4,290	660	4,950	2,259
Total expenditure on charitable activities	32,784	27,160	59,944	59,411

Debt advice costs are defined as the costs incurred in providing debt advice to new clients.

Client management costs are defined as the costs incurred in the management of clients who are provided with debt solutions with the charity.

Promotion of charitable purposes costs are defined as the costs incurred in the promotion of our services to key stakeholders including creditors, funders, clients, public sector bodies and governments.

9a. Analysis of support and governance costs on charitable activities

	Debt advice 2025 £'000	Client management 2025 £'000	Promotion of charitable purpose 2025 £'000	Total 2025 £'000	Total 2024 £'000
Unrestricted funds	▼	▼	▼	▼	▼
IT, digital & change	6,309	5,811	1,662	13,782	14,934
Corporate services	4,330	3,653	1,054	9,037	8,789
People services	1,483	1,305	373	3,161	3,501
Governance	249	210	61	520	517
Total	12,371	10,979	3,150	26,500	27,741
Restricted funds	▼	▼	▼	▼	▼
IT, digital & change	578	-	14	592	304
Corporate services	-	-	-	-	15
People services	64	-	4	68	62
Total	642	-	18	660	381
Total support and governance costs	13,013	10,979	3,168	27,160	28,122

The Support costs have been allocated to the charitable activities on the basis of employee numbers except for the amortisation of the Pulse system which has been allocated fully to debt advice costs. The functional area costs include directly attributable costs (e.g. staff costs, IT licensing costs, recruitment costs) and allocations of shared overhead costs (e.g. premises rentals) on the basis of employee numbers. Corporate Services costs comprise the costs of the Executive team, Finance, Risk and Compliance, plus the balance of central overheads which cannot be attributed to a single area. People Services costs comprise the Human Resources and Training teams. Governance costs comprise internal and external audit costs and the management cost of preparing for and attending Trustee board meetings.

9b. Major Project Costs

	Total 2025 £'000	Total 2024 £'000
Projects	▼	▼
Digital Transformation	3,285	4,630
	3,285	4,630

Digital Transformation costs form part of the overall IT, digital & change costs presented in Table 9a.

10. Auditor's remuneration

	Total 2025 £'000	Total 2024 £'000
Fees payable to the charity's auditors (VAT inclusive)	▼	▼
Audit of the financial statements (charity)	65	63
Audit of the financial statements (subsidiaries)	11	22
Other assurance services	42	36
Tax advisory services	4	35
	122	156

11. Operating Surplus

	Total 2025 £'000	Total 2024 £'000
The surplus for the year is stated after charging:	▼	▼
Depreciation	464	505
Operating lease charges	1,566	1,653

12. Employees

	2025 No.	2024 No.
i) Average number of persons employed by the group	▼	▼
Debt advice	396	454
Client management	334	356
Promotion of charitable purposes	96	79
Insolvency services	39	39
Equity release services	8	13
Support services	192	196
	1,065	1,137

The total average full time equivalent (FTE) numbers in 2025 were 1,003 (2024: 1,074).

	2025 £'000	2024 £'000
ii) Staff costs	▼	▼
Wages and salaries	33,892	34,686
Social security costs	4,199	3,591
Pension costs	3,513	2,757
Other payroll related benefits	120	233
	41,725	41,267

The remuneration of key management personnel (members of the Executive team) is £1,630,745 (2024: £1,368,236). The total remuneration of the Chief Executive Officer was £252,159 in 2025 of which £210,456 comprises basic salary (2024: total remuneration was £224,718 and basic salary £189,523). As the Chief Executive's salary was initially set as a developmental salary, it was reviewed for 2025 to reflect the evolving nature of the role and updated market benchmarking. Employer pension contributions of £27,300 were made for the CEO (payment in 2024: £23,887).

The remuneration of higher-paid staff, excluding pension contributions, fell within the following ranges:

	2025 No.	2024 No.
£60,001 – £70,000	31	25
£70,001 – £80,000	8	7
£80,001 – £90,000	6	4
£90,001 – £100,000	6	6
£100,001 – £110,000	6	4
£110,001 – £120,000	1	1
£120,001 – £130,000	2	-
£130,001 – £140,000	-	2
£140,001 – £150,000	2	1
£150,001 – £160,000	1	1
£160,001 – £170,000	1	1
£170,001 – £180,000	-	-
£180,001 – £190,000	-	1
£190,001 – £200,000	-	-
£200,001 – £210,000	-	-
£210,001 – £220,000	1	-
Total	65	53

Contributions were made to defined contribution schemes for a total of 64 (2024: 49) of higher-paid employees.

13. Trustees

Prior to the current Chair's appointment, a written order was approved by the Charity Commission for a "regulated alteration" to the Articles of Association to permit remuneration to the Chair of the Board and a special resolution to amend the Articles was passed in April 2019.

In line with this approval, the Chair of the Board of Trustees, Lesley Titcomb received remuneration of £16,000 in the year (2024: Lesley Titcomb received £10,667 & John Griffith-Jones received £4,000). No additional benefits or pension contributions were paid.

None of the remaining Trustees (or any persons connected with them) received any remuneration during the year. Six of the Trustees were reimbursed for out of pocket expenses incurred in attending Trustee meetings totalling £4,543 (2024: Six Trustee reimbursed for expenses totalling £3,374)

Indemnity insurance is taken out to provide liability cover to protect any charity Trustee, employee or officer from claims arising against them as a result of an actual or alleged 'wrongful act' when performing the scope of their regular duties. The cost of providing this insurance is £14,163 (2024: £18,765).

14. Intangible assets

	Group £'000	Charity £'000
Cost	v	v
At 1 January 2025	8,236	8,236
Additions	-	-
At 31 December 2025	8,236	8,236
Accumulated Amortisation	v	v
At 1 January 2024	8,236	8,236
Charge for the year	-	-
At 31 December 2024	8,236	8,236
Net book value	v	v
At 31 December 2025	-	-
At 31 December 2024	-	-

All intangible assets relate to internal software development.

15. Tangible assets

	2025		2024	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Cost	▼	▼	▼	▼
At 1 January	4,070	4,070	3,820	3,820
Additions	248	248	250	250
Disposals	-	-	-	-
At 31 December	4,317	4,317	4,070	4,070
Accumulated Depreciation	▼	▼	▼	▼
At 1 January	2,938	2,938	2,433	2,433
Charge for the year	464	464	505	505
Disposals	-	-	-	-
At 31 December	3,402	3,402	2,938	2,938
Net book value	▼	▼	▼	▼
At 31 December 2025	915	915	1,132	1,132
At 31 December 2024	1,132	1,132	1,387	1,387

16. Investments

Charity	2025 £	2024 £
Subsidiary undertakings	1	5,001

	Company number	Activities	2025 £	2024 £
Subsidiary undertakings as at 31 December	▼	▼	▼	▼
Consumer Credit Counselling Service (Voluntary Arrangements) Ltd	05659160	Insolvency services	1	1
Consumer Credit Counselling Service (Equity Release) Ltd	06741879	Active (ceased operations)	-	5,000
Consumer Credit Counselling Service Ltd	03156404	Dormant	-	-
Debt Remedy Ltd	07869502	Dormant	-	-
StepChange Equity Release Ltd	08056301	Dormant	-	-
StepChange Financial Solutions Ltd	08561006	Dormant	-	-
StepChange Voluntary Arrangements Ltd	08056168	Dormant	-	-
			1	5,001

The registered office for all group companies is 123 Albion Street, Leeds, LS2 8ER.

Foundation for Credit Counselling held a 100% interest in all of the subsidiary undertakings. A summary of the results and balance sheet of the subsidiaries are given below:

	2025 £'000	2024 £'000
Consumer Credit Counselling Service (Voluntary Arrangements) Limited	v	v
Turnover	2,410	2,377
Cost of sales	(1,167)	(1,092)
Gross profit	1,243	1,285
Administrative expenses	(721)	(646)
Profit / (Loss) for the financial year	522	639
Assets	773	852
Liabilities	(251)	(213)
Shareholders' funds	522	639
Consumer Credit Counselling Service (Equity Release) Limited	v	v
Turnover	280	488
Cost of sales	(20)	(634)
Operating loss	261	(146)
Interest payable	-	0
Profit / (Loss) for the financial year	261	(146)
Assets	-	156
Liabilities	0	(465)
Shareholders' funds	0	(309)

17. Debtors

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Due within one year	▼	▼	▼	▼
Trade debtors	7,137	7,053	6,459	6,327
Prepayments and accrued income	3,720	4,152	3,669	4,077
Other debtors	223	304	223	304
Amounts owed by group undertakings	-	-	167	286
	11,080	11,509	10,518	10,994
Due after more than one year	▼	▼	▼	▼
Amounts owed by group undertaking	-	-	-	300
Total	11,080	11,509	10,518	11,294

The amount owed by a group undertaking after more than one year in 2024 was a loan made to Consumer Credit Counselling Service (Equity Release), a trading subsidiary of Foundation for Credit Counselling. No interest was charged for 2025 and CCCS ER ceased operating during the year, following cessation of operations a balance of £48,200 was outstanding, this balance was written off during the accounting period.

18. Cash and cash equivalents

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Cash and cash equivalents	▼	▼	▼	▼
Cash balances	9,317	5,232	9,273	5,051
Bank deposits	-	-	-	-
Total cash and cash equivalents	9,317	5,232	9,273	5,051

19. Creditors: Amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Creditors: amounts falling due within one year	▼	▼	▼	▼
Trade creditors	1,906	1,241	1,873	1,207
Other taxes and social security costs	899	785	891	801
Accruals and other creditors	2,348	2,081	2,305	2,032
	5,153	4,107	5,069	4,040

20. Operating lease commitments

	Land and buildings 2025 £'000	Other 2025 £'000	Total 2025 £'000	Total 2024 £'000
The charity is committed to minimum lease payments under non-cancellable operating leases expiring:	▼	▼	▼	▼
Within one year	1,483	14	1,497	1,759
Between one and five years	1,495	27	1,522	2,936
After five years	-	-	-	-
	2,978	41	3,019	4,695
Net expenditure for the year before taxation is stated after charging	▼	▼	▼	▼
Operating lease charges	1,473	93	1,566	1,653

21. Movements in unrestricted funds

	At 1 Jan 2025 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 Dec 2025 £'000
Group	▼	▼	▼	▼
Unrestricted reserves	12,810	57,534	(56,901)	13,443
Landlord contribution	831	(277)	-	554
Reserves including landlord contribution	13,641	57,257	(56,901)	13,997
Charity	▼	▼	▼	▼
Unrestricted reserves	12,485	55,431	(54,994)	12,922
Landlord contribution	831	(277)	-	554
Reserves including landlord contribution	13,316	55,154	(54,994)	13,476
	At 1 Jan 2024 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 Dec 2024 £'000
Group	▼	▼	▼	▼
Unrestricted reserves	13,903	58,431	(59,524)	12,810
Landlord Contribution	1,109	(278)	-	831
Reserves including landlord contribution	15,012	58,153	(59,524)	13,641
Charity	▼	▼	▼	▼
Unrestricted reserves	13,392	56,245	(57,152)	12,485
Landlord Contribution	1,109	(278)	-	831
Reserves including landlord contribution	14,501	55,967	(57,152)	13,316

22. Movements in restricted funds

	At 1 Jan 2025 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 Dec 2025 £'000
Group and charity	▼	▼	▼	▼
Scottish Ministers	-	1,485	(1,485)	-
Equifax	-	25	(23)	2
Natwest	403	320	(548)	175
Warm Home Discount	-	5,155	(2,894)	2,261
	403	6,985	(4,950)	2,438
	At 1 Jan 2024 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 Dec 2024 £'000
Group and charity	▼	▼	▼	▼
Scottish Ministers	-	1,327	(1,327)	-
Equifax	-	-	0	-
Natwest	900	435	(932)	403
	900	1,762	(2,259)	403

Scottish Ministers

FCC received funding under three agreements from the Scottish Ministers. Firstly, for the provision of a telephone debt advice service to indebted individuals for a 1 year period from the 1st April 2019 and subsequently the provision of a specialist debt service with a particular focus on vulnerable clients as well as building on knowledge and providing training to colleagues on certain key areas for the period from 30th May 2019 to 31st March 2020. Both of these agreements were renewed up to 31st March 2026. The third agreement is to provide additional energy debt advice to clients with utility arrears for the period 7th July 2025 to 31st March 2026.

Equifax

FCC received funding to carry out research to understand the challenges faced by neurodivergent clients when experiencing problem debt.

Natwest

StepChange received a £270k grant from Natwest in 2025 to provide a national debt advice service for Natwest's business customers. This is a pilot, in which StepChange will provide debt advice and share customer outcomes data. This pilot project is due to continue until September 2026. An additional £50k funding received from Natwest to collaborate on a research project exploring financial vulnerability, debt and digital financial behaviours among Gen Z.

Warm Home Discount

FCC received funding from five energy suppliers in the reporting period. This funding is restricted to our activities supporting clients in assessing their eligibility for support towards household energy costs and subsequently assisting clients with access to available support, working in conjunction with our energy partners.

2025	Warm Home Discount £'000	Equifax £'000	Natwest £'000	Total restricted £'000	Total unrestricted £'000	Total funds £'000
Fixed Assets	▼	▼	▼	▼	▼	▼
Intangible assets		-	-	-	-	-
Tangible assets		-	-	-	915	915
		-	-	-	915	915
Current Assets	▼	▼	▼	▼	▼	▼
Debtors		-	-	-	11,080	11,080
Cash at bank and in hand	2,261	2	175	2,438	6,879	9,317
	2,261	2	175	2,438	17,959	20,397
Creditors: Amounts falling due within one year	-	-	-	-	(5,153)	(5,153)
Net Current Assets	2,261	2	175	2,438	12,806	15,244
Creditors: Amounts falling due after one year	-	-	-	-	(277)	(277)
Net Assets	2,261	2	175	2,438	13,443	15,881

The summary of the assets and liabilities for the total restricted funds, disclosed by contract and the total unrestricted funds at 31 December 2025 is shown above. Values are NIL except where shown.

2024	Natwest £'000	Total restricted £'000	Total unrestricted £'000	Total funds £'000
Fixed Assets	∨	∨	∨	∨
Intangible assets	-	-	-	-
Tangible assets	-	-	1,387	1,387
	-	-	1,387	1,387
Current Assets	∨	∨	∨	∨
Debtors	-	-	8,696	8,696
Cash at bank and in hand	900	900	8,592	9,492
	900	900	17,288	18,188
Creditors: Amounts falling due within one year	-	-	(3,941)	(3,941)
Net Current Assets	900	900	13,347	14,247
Creditors: Amounts falling due after one year	-	-	(831)	(831)
Net Assets	900	900	13,903	14,803

23. Related party disclosures

On a consolidated basis, there were no (2024: none) transactions undertaken with related parties during the year. The charity provided a loan of £48,200 (2024: £300,000) to Consumer Credit Counselling Service (Equity Release) which was written off within the accounting period. The details are disclosed within note 17. One of StepChange's Trustees, Nick Caplin is also a Director at Vitality Health Limited. A total amount of £34,560 was paid to Vitality Health Limited by StepChange in the year 2025 for employee health services (2024: £36,000). There were no other related party transactions in either year.

24. Pension costs

The charity operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company, being invested with insurance companies as per the employee's instructions. The pension cost charge represents contributions payable by the charity to the pension funds and amounted to £3,512,935 (2024: £2,756,687). At the year end the pension creditor amounted to £0 (2024: £0).

25. Creditors: amounts falling due after more than one year

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Creditors: Amounts falling due after one year	▼	▼	▼	▼
Accruals and other creditors	277	554	277	554
	277	554	277	554



Thank you to our supporters

Each of these organisations supported us financially in 2025, and many supported our policy work to improve the debt landscape. We would like to express our gratitude for their support, without which our work would not be possible.

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